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THE DEPARTMENT OF STATE



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May 6, 1957

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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Dynamic Peace

Address by Secretary Dulles 1

I recall pleasurably your annual luncheon of a year ago. It is a compliment that you have asked me to come again. Since this is my first speech of the second Eisenhower term, it may be appropriate to set forth the basic concepts which guide our foreign policy. It is important that both friend and foe should know the principles by which we chart our course.

At the close of World War II, the statesmen of the world met at San Francisco to plan a better future for a war-scourged world. They wrote the United Nations Charter, and in its first article they laid down three basic and interlocking principles. There must be peace; there must be justice; and there must be liberty for nations and for persons.

Peace, justice, and liberty—these same three concepts underlie the foreign policies of the United States. Our task is to realize these concepts in a world of rapid and accelerating change.

Two decades ago I wrote that world peace depended, not on preserving the *status quo*, but on finding ways of peaceful change. Today, this requirement is more than ever imperative. Our foreign policy accepts change as the law of life. We seek to assure that change will be benign, and not destructive, so that it will promote not merely survival but freedom and well-being.

Deterrents to Aggressive War

A first requirement is that the door be firmly closed to change by violent aggression.

Of all the tasks of government the most basic is to protect its citizens against violence. Such protection can only be effective if provided by a collective effort. So in every civilized community the members contribute toward the maintenance of a police force as an arm of law and order.

Only the society of nations has failed to apply this rudimentary principle of civilized life.

An effort was made through the United Nations to create an armed force for use by the Security Council to maintain international order. But the Soviet Union vetoed that.

However, the member nations still had the possibility of cooperating against aggression. For the charter, with foresight, had proclaimed that all nations had the inherent right of collective self-defense.

The free nations have largely exercised that right. The United States has made collective defense treaties with 42 other nations. And the area of common defense may now be enlarged pursuant to the recent Middle East resolution.

This collective security system is subject to assaults from without and to infirmities within.

The Soviet rulers understandably prefer that the free nations should be weak and divided, as when the men in the Kremlin stole, one by one, the independence of a dozen nations. So, at each enlargement of the area of collective defense, the Soviet rulers pour out abuse against so-called "militaristic groupings." And as the free nations move to strengthen their common defense, the Soviet rulers emit threats. But we can, I think, be confident that such Soviet assaults will not disintegrate the free world. Collective measures are here to stay.

The greater danger comes from internal hazards. A collective defense system, in which each member nation is completely sovereign, requires a high degree of voluntary cooperation and agreement.

¹Made before the annual luncheon of the Associated Press at New York, N. Y., on Apr. 22 (press release 229 dated Apr. 21) and broadcast to the Nation by radio and television.

Happily, we have that. For example, it is agreed that the primary task is to deter war. Modern weapons have such vast destructive power that there could be no real "victor" were general war ever to occur.

It is also agreed that the principal deterrent to aggressive war is mobile retaliatory power. This retaliatory power must be vast in terms of its potential. But the extent to which it would be used would, of course, depend on circumstances. The essential is that a would-be aggressor should realize that he cannot make armed aggression a paying proposition.

It is also agreed that it would be imprudent to risk everything on one single aspect of military power. There must be land, sea, and air forces for local action and for a defense which will give mobile striking power the chance to do its work.

Thus the general design of common defense is widely agreed. Of course, its detailed application presents recurrent difficulties. Also, the sharing of the burden raises problems.

Modern weapons are extremely expensive. Immense sums must be spent in research and development and in making weapons which may become outmoded almost before they are in production. The United States is the only free-world country able to sustain the cost of developing a capacity for retaliation adequate to deter a potential aggressor who himself has great and growing aggressive power. In addition, the United States supplies military equipment to others and, in some cases, helps to stabilize the economies of allies which cannot otherwise play their proper part in the scheme of common defense.

The President faces no more difficult task than the crucial one of deciding, in this defense field, how much to spend, where to spend it, and how to bring the cost into a budget which provides for other needed tasks and does the whole without monetary inflation or excessive taxation.

There are some who, in a zeal to economize, would slash that part of our budget which is often miscalled "foreign aid"—as though it did not aid us. That would not be economy but extravagance. If the forces and facilities which others provide were subtracted from the common defense, the United States defense budget would have to be expanded vastly from what it now is. That is the considered judgment of the President and his military advisers.

The free-world collective-defense arrangements are not ideal. There is nothing automatic about them, and they require a continuing conscious effort by many nations to cooperate and to forgo the petty selfishness and the extremes of nationalism which could poison the relationships. But the relationship is predominantly one of good will and trust. It marks a significant step in the long-overdue progress of international society from anarchy to order. To maintain and develop this progress is a basic principle of our foreign policy.

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But we do not believe that the only way to security is through ever-mounting armaments. We consider that controls and reduction of arms are possible, desirable, and, in the last reckoning, indispensable. It is not essential that controls should encompass everything at once. In fact, progress is likely to come by steps carefully measured and carefully taken. Thus far it has not been possible to assure the inspection and other safeguards that would make it prudent for us to reduce our effective power. But we shall continue to seek that goal.

Armaments are nothing that we crave. Their possession is forced on us by the aggressive and devious designs of international communism. An arms race is costly, sterile, and dangerous. We shall not cease our striving to bring it to a dependable end.

The Blessings of Liberty

Any police system is essentially negative. It is designed to repress violence and give a sense of security. But the sense of security is illusory unless, behind its shield, there is growth and development. Military collaboration to sustain peace will collapse unless we also collaborate to spread the blessings of liberty.

Trade, from the earliest days, has been one of the great up-builders of economic well-being. Therefore, this Government advocates trade policies which promote the interchange of goods to mutual advantage.

Also, the United States, as the most productive and prosperous nation, assists other nations which are at an early stage of self-development. It is sobering to recall that about two-thirds of all the people who resist Communist rule exist in a condition of stagnant poverty. Communism boasts that it could change all that and points to industrial developments wrought in Russia at a cruel,

but largely concealed, cost in terms of human slavery and human misery. The question is whether free but undeveloped countries can end stagnation for their people without paying such a dreadful price. Friendly nations expect that those who have abundantly found the blessings of liberty should help those who still await those blessings.

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Of course, each country must itself make the principal effort to improve its lot. But others can provide an impetus and the margin between hope and despair—and perhaps between success and failure. They can do this by showing interest and concern, by giving technical guidance, and by providing capital for development. Much of this is done under private auspices, and we wish it could all be done that way. But sometimes the hazards are greater than private capital will assume. So our Government supplies some funds for economic development purposes.

The sharing of markets and of development capital is not a giveaway operation. It assures that the free world, of which we are part, will be a vigorous, hopeful community. That corresponds to our interests and to our ideals.

Our mutual security program can and should make our policies more clear and more stable. Two weeks ago I outlined proposals to this end before a special committee of the Senate. ² With the help of the Congress, and with the support of the American people, our trade and economic development policies can serve mightily to demonstrate that the peace of free men is not the doomed peace of human stagnation but a peace of such vitality that it will endure.

A Decade of Political Change

Just as our policy concerns itself with economic development, so, too, our policy concerns itself with political change.

During the past decade, there have come into being, within the free world, 19 new nations with 700 million people. In addition, many nations whose sovereignty was incomplete have had that sovereignty fully completed. Within this brief span nearly one-third of the entire human race has had this exciting, and sometimes intoxicating, experience of gaining full independence.

The United States believes that all peoples

should have self-government and independence if they desire it and show the capacity to sustain it. We rejoice that there is progress toward this goal.

But liberty requires more than the mere breaking of old political ties that have become unwelcome. Those patriots who won for us our independence knew and proclaimed that our free institutions could be sustained and our independence made durable only if our Nation accepted the disciplines which religion and education enjoin. That is indispensable to assure responsible leadership able to guide a young nation through the dangers which beset it.

Today, nations born to independence are born into a world one part of which is ruled by despotism and the other part of which stays free by accepting the concept of interdependence. There is no safe middle ground.

International communism is on the prowl to capture those nations whose leaders feel that newly acquired sovereign rights have to be displayed by flouting other independent nations. That kind of sovereignty is suicidal sovereignty.

The United States stands as the faithful and vigorous champion of the principles of our Declaration of Independence. And we want the new independence of others to be something better than a brief twilight preceding the blackout of Communist despotism.

The Captive Nations

Nowhere is the pressure for change greater than within the Soviet orbit. For there the most basic human aspirations are the most repressed.

A year ago Khrushchev boasted before the 20th Congress of the Soviet Communist Party that communism was on its way to triumph everywhere, on its merits, as a system of thought and government. But in October, how many Communists could be found in supposedly Communist Hungary? A few hundreds of secret policemen, hopelessly implicated in the crimes of the regime, and a handful of traitors willing to govern by grace of Soviet tanks.

Communism in practice has proved to be oppressive, reactionary, unimaginative. Its despotism, far from being revolutionary, is as old as history. Those subject to it, in vast majority, hate the system and yearn for a free society.

The question of how the United States should deal with this matter is not easily answered. Our

² Bulletin of Apr. 29, 1957, p. 675.

history, however, offers us a guide. The United States came into being when much of the world was ruled by alien despots. That was a fact we hoped to change. We wanted our example to stimulate liberating forces throughout the world and create a climate in which despotism would shrink. In fact, we did just that.

I believe that that early conception can usefully guide us now.

Let us provide an example which demonstrates the blessings of liberty. Let us spread knowledge of that around the world. Let us see to it that the divided or captive nations know that they are not forgotten; that we shall never make a political settlement at their expense; and that a heartfelt welcome and new opportunity await them as they gain more freedom.

Let us also make apparent to the Soviet rulers our real purpose. We condemn and oppose their imperialism. We seek the liberation of the captive nations. We seek this, however, not in order to encircle Russia with hostile forces but because peace is in jeopardy and freedom a word of mockery until the divided nations are reunited and the captive nations are set free.

We revere and honor those who as martyrs gave their blood for freedom. But we do not ourselves incite violent revolt. Rather we encourage an evolution to freedom.

The Voice of America, our information programs, and cultural exchanges spread throughout the world knowledge of what freedom is and does. When Hungary was invaded and freedom crushed, we sponsored a United Nations condemnation of the Soviet Union. And when some steps are made toward independence, as recently in the case of Poland, we show a readiness to respond with friendly acts.

Events of the past year indicate that the pressures of liberty are rising.

Within the Soviet Union there is increasing demand for greater personal security, for greater intellectual freedom, and for greater enjoyment of the fruits of labor.

International communism has become beset with doctrinal difficulties. And the cruel performance of Soviet communism in Hungary led many to desert Communist parties throughout the world.

The satellite countries no longer provide a submissive source of added Soviet strength. Indeed, Soviet strength, both military and economic, has now to be expended to repress those who openly show their revulsion against Soviet rule.

And the Soviet Government pays a heavy price in terms of moral isolation.

Soviet rulers are supposed to be hardheaded. For how long, we may ask, will they expend their resources in combating historic forces for national unity and freedom which are bound ultimately to prevail?

Principles of the U.N. Charter

Let me speak now of the United Nations. Its charter couples peace with justice and provides the most significant body of international law yet known.

The United States has agreed to those principles and seeks to conform to them; and we expect other signatories to do the same. On occasions we invoke the processes of the United Nations to help to make effective the principles embodied in the charter. We are not ashamed, as a powerful nation, to pay the same decent respect for the opinions of mankind that we thought proper when, young and weak, we sought our independence.

That is no abdication of foreign policy. It is the exercise of foreign policy and its exercise in the way which represents the best hope for humanity.

Our dedication to the principles of the United Nations Charter was severely tested by the recent Middle East crisis. We were then faced with a distressing and unprecedented conflict of loyalties. Historic ties would have led us to acquiesce in the forcible action that was begun. But this would have involved disloyalty to the United Nations undertaking that all members renounce the use of force except in defense against armed attack. That same pledge is also embodied in all our treaties of alliance. We decided to be loyal to that commitment.

This was a hard decision, although to those directly affected it was not an unexpected decision. It was not, I suppose, a popular decision. Yet it was imperative if the world was not to go as it went when the League Covenant was disregarded.

But, as we have seen, the charter prescribes not merely peaceful settlement but settlement in conformity with justice and international law.

We must, and do, seek also to advance that goal. For example, we are now striving to bring about conditions in the Middle East better than those Whis cage

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provocative and dangerous conditions out of which the recent violence was born.

This cannot be done quickly or all at once. Where emotions run high and a sense of grievance is deep, those most directly involved are more eager to gain partisans for their cause than to heed impartial counsel.

Wherever such situations occur, they are always worsened by Soviet intrigue. The Kremlin likes troubled waters in which to fish.

We know, in domestic affairs, that it is hard to apply just solutions when racial or class passions run high. The task is equally hard in international affairs, and sometimes war seems to offer a shortcut to the desired end. But that seeming is an illusion. The only durable solution is one which comes by patiently, resolutely, and resourcefully seeking justice and the rule of law. That, at least, is the faith and the dedication of your Government.

The Task of Waging Peace

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I have tried to describe principles which guide United States foreign policy. But while guiding principles are essential, they are not enough. They must be reinforced by daily action as, throughout the world, our views are sought and our influence is made felt.

This is the task sometimes called waging peace. It is a hard task. It is seldom dramatic. The many who take part in it may never be known as heroes. Yet they make efforts, and in some cases sacrifices, like those required in war to win a war. By so doing, they spare us the infinitely greater sacrifice of war itself.

Surely the stakes justify that effort. As I am briefed on the capacity of modern weapons for destruction, I recognize the impossibility of grasping the full, and indeed awful, significance of the words and figures used. Yet we would be reckless not to recognize that this calamity is a possibility. Indeed history suggests that a conflict as basic as that dividing the world of freedom and the world of international communism ultimately erupts in war.

That suggestion we reject. But to reject in terms of words or of hopes is not enough. We must also exert ourselves to the full to prevent it. To this task, the American people must unswervingly dedicate their hearts and minds throughout the years ahead.

That is not too much to expect. Americans are a people of faith. They have always had a sense of mission and willingness to sacrifice to achieve great goals. Surely, our Nation did not reach a new peak of power and responsibility merely to partake of the greatest, and perhaps the last, of all human disasters.

If only we are faithful to our past, we shall not have to fear our future. The cause of peace, justice, and liberty need not fail and must not fail.

Letters of Credence

Switzerland

The newly appointed Ambassador of Switzerland, Henry de Torrenté, presented his credentials to President Eisenhower on April 17. For the texts of the Ambassador's remarks and the President's reply, see Department of State press release 216.

Visit of Chancellor Adenauer

The Department of State announced on April 19 (press release 223) that Chancellor Konrad Adenauer of the Federal Republic of Germany is expected to arrive in New York on May 24. He will come to Washington on May 27, at which time he will be joined by Foreign Minister Heinrich von Brentano. The Chancellor plans to depart for Germany on May 29.

During his stay in Washington, the Chancellor is expected to have discussions with the President, the Secretary of State, and other officials of the Government.

U.S. Requests Departure of Soviet Embassy Employee

Press release 218 dated April 17

Department Announcement

The Department of State announced on April 17 that it had requested the departure of Gennadi F. Mashkantsev, an employee of the Soviet Embassy. Sergei R. Striganov, Counselor of the Soviet Embassy in the United States, was informed that information available to the United

States Government indicated that Mashkantsev had engaged in highly improper activities directed toward inducing the return to the Soviet Union of persons who have sought asylum in the United States.

Text of U.S. Note1

The Department of State informs the Embassy of the Union of Soviet Socialist Republics that the Government of the United States has ascertained that Gennadi F. Mashkantsev, an employee of the Embassy of the Union of Soviet Socialist Republics, has engaged in highly improper activities.

Mashkantsev's continued presence in the United States is no longer considered acceptable and the Embassy is requested to arrange for his immediate departure.

NATO Scholarship Awarded to American Student

The Department of State announced on April 12 (press release 208) that it has been informed that Carl Fredric Salans of Chicago Heights, Ill., is among the winners of the scholarships awarded annually by the North Atlantic Treaty Organization.

Mr. Salans, who is now working toward a doctorate degree in jurisprudence at the University of Chicago, will study at Cambridge University during the 1957–58 academic year. He will continue his studies in international law with special emphasis on the conflict of laws where different legal systems are involved and the status of international organizations under international law.

The objective of the Nato fellowship and scholarship program is "to encourage the study and research of such historical, political, constitutional, legal, social, cultural, linguistic, economic, scientific, and strategic problems as reveal the common traditions and historical experience of the North Atlantic area considered as a Community, and give insight into its present needs and future development."

Candidates for the scholarships were selected by a committee under the chairmanship of Ambassa-

dor L. D. Wilgress, Permanent Representative of Canada to the North Atlantic Council. Others serving on the committee were James C. Dunn, former U. S. Ambassador to Italy; Professor Robert Majolin of the University of Nancy, former Secretary-General of the Organization for European Economic Cooperation; Alberto Tarchiani, former Italian Ambassador to the United States; and H. U. Willink, Master of Magdalene College, Cambridge University, and former vice chancellor of Cambridge University.

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The Nato fellowship and scholarship program, now in its second year, is carried out under article 2 of the North Atlantic Treaty, which states in part: "The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being." The program was furthered by the Report of the Committee of Three on Nonmilitary Cooperation in Nato, approved last December, which asked the member governments to broaden their support of these activities.

The announcement of the winners of this year's awards was made on April 4, the eighth anniversary of the signing of the treaty.

United States Assistance to Hungarian Refugees

DEPARTMENT ANNOUNCEMENT OF APRIL 13

Press release 212 dated April 13

The U.S. Government is continuing to assist the people of Hungary who fled from Communist oppression in their homeland and under this policy will continue to bring limited numbers of refugees into the country within the next few months.

The number of refugees to be admitted to the United States will, of course, be on a diminishing basis in the future because of the lessening of the emergency.

Those to be brought to the United States both from Austria and countries of second asylum will

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¹ Handed to the Soviet Counselor on Apr. 17.

¹ BULLETIN of Jan. 7, 1957, p. 18.

be refugees selected on the basis of hardship cases such as those involving broken families and special-interest cases such as scientists, engineers, etc., whose skills will enable them to be integrated readily into the American economy.

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The United States has already accepted more than 31,000 Hungarian refugees, which is nearly 20 percent of all who escaped the Communist oppression in their homeland. It has also assisted in resettling more than 100,000 of them in other countries and intends to continue this assistance.

Austria has indicated it can integrate between 20,000 and 30,000 into its own economy, and the U.S. Government hopes that, with the acceptance of additional refugees by the other countries which have been assisting in the emergency, all of the refugees will have been provided for within the near future.

The program as a whole reflects the recognition by the American people of the plight and the heroism of these oppressed peoples and their determination, along with the other peoples of the free world, to assist these refugees in finding new homes where they may live in freedom. The role of the United States in giving leadership to the compassionate acceptance and resettlement of these heroic people has been a gratifying one to every citizen.

DEPARTMENT ANNOUNCEMENT OF APRIL 16

Press release 214 dated April 16

Assistance to Hungarian escapees by the people of the United States and their Government reaches beyond the welcoming to this country of more than 31,000 men, women, and children since the October 1956 revolt against Communist tyranny.

Commenting on the April 13 announcement that the United States will continue its welcome to escapees, Robert S. McCollum, Deputy Administrator for Refugee Programs and head of the Office of Refugee and Migration Affairs, on April 16 highlighted this country's dollars-and-cents aid to benefit escapees. He said:

In addition to receiving in this country more than 31,-000 Hungarian escapees, this Government expended large sums for emergency care of escapees in Austria during the mass exodus from Hungary and has subsequently directly and indirectly helped to resettle thousands of these people in countries of the free world other than the United States.

Involved in this gigantic undertaking has been the task of making available to escapees transportation, housing, jobs, and educational opportunities, and reorientation guidance and counseling for life in the free world.

Total sums so far allocated by the Government for all types of assistance to Hungarian escapees have been approximately \$30 million. In addition to this the American people have generously contributed more than \$18 million through voluntary welfare agencies and private charitable organizations.

Some of the assistance given by the United States Government has been in the form of grants to the several international organizations concerned with the Hungarian emergency, while other types of assistance have been carried out directly by governmental programs.

These assistance channels were cited:

—The United States Escapee Program, which expended several millions to finance emergency care and maintenance and aid in preparing Hungarians to resettle in countries other than the United States.

—The United Nations High Commissioner for Refugees, to whose office the United States provided \$5 million, much of which financed emergency assistance programs in Austria.

—The Intergovernmental Committee for European Migration (ICEM), to which the United States makes regular contributions and to which it also made emergency contributions to help in arrangements for escapees' transportation from Austria to countries other than the United States.¹

—Another program of assistance is the recent \$3 million contribution of the United States to a plan for moving 10,000 Hungarian escapees now in Yugoslavia and 5,000 from countries of second asylum to overseas countries other than the United States. The project is being carried out by ICEM and the United Nations High Commissioner for Refugees.

Mr. McCollum added that an objective of the United States, in its efforts to help relieve the congestion of escapees in Austria during early months after the revolt, was to help insure the Austrian economy against the impact of thousands of unexpected, needy visitors. Commodity reserves from the United States played a prominent part in this effort to sustain the economy, at the same time providing useful foodstuffs.

¹ For an article on the ICEM, see p. 743.

Immigration Potentials Under the Basic Immigration Law

by Eliot B. Coulter Assistant Director, Visa Office ¹

If there were no restrictions of any kind, either on departures from foreign countries or on entries into the United States, we would have a great stream of immigration into this country. The greatest sources of such immigration would be the countries of population pressures in Europe, the West Indies, and the Far East, where overpopulation in relation to available work has led to unemployment or to partial employment to spread work opportunities.

Persons who wish to migrate are motivated primarily by a desire to seek a new home in lands offering an opportunity for full-time work and a higher standard of living. Others desire to join relatives or friends who have the same background. Some respond to an alluring picture of American life depicted in American movies and glowing magazine advertisements. Still others who are dissatisfied with political and other controls seek the American atmosphere of liberty and respect for the individual. These are reasons for migrating.

There are other persons who postpone or cancel plans to leave when improved economic conditions at home offer greater rewards and full-time work. Others prefer the culture and atmosphere to which they have become accustomed and which they are loathe to leave. This is particularly true of older persons who are not prepared to face uncertainties of the future in new surroundings.

The effect of improved economic conditions at home is illustrated by the quota situation in Germany. When consular offices in Germany were authorized to register prospective immigrants on the waiting list, over 200,000 persons registered within a few days. Within the past year, the German quota became current, indicating that, when it came to the point of applying for visas, many persons decided to remain in Germany, where the improved economic conditions provided opportunities for full-time work.

It frequently happens, also, that persons regis-

ter on a waiting list in order to keep open a possibility of migrating if need should arise. This was particularly true before World War II, when many persons saw trouble ahead.

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The point of these comments is that figures of registered demand or estimates of potential immigrants do not always give a true picture of the number of persons who will apply for visas when offered an opportunity to do so. Nevertheless, with all due allowance for a contradiction in the estimates, it is reasonable to believe that, if peoples were freely able to migrate at will, there would be a potential volume of immigrants, possibly running to several millions.

It is not possible to give any very realistic estimates. Several years ago it was said that over 12 million persons would emigrate from Italy alone if they could. Among other countries in Europe which have furnished large numbers of immigrants in the past are Czechoslovakia, Germany, Greece, Hungary, Poland, Rumania, Russia, and Yugoslavia. In the Western Hemisphere, Jamaica, other West Indian islands, and Mexico have a considerable volume of potential immigrants. In the Far East, China, Japan, and possibly other countries in the area would be sources of large numbers of immigrants.

On a practical basis, immigration potentials must, of course, be related to the provisions of the Nationality Act, which continues numerical restrictions first imposed by the Act of May 19, 1921. The present act exempts from quota restrictions various classes of persons, including spouses and unmarried minor children of United States citizens, and persons born in Canada and independent countries of the Western Hemisphere.

Coming down to figures, it may be of interest to note that the annual quotas for all countries total 154,657. During the fiscal year 1956, consuls issued 88.5 thousand quota visas. To this figure must be added 8 thousand numbers charged to that year's quotas under the provisions of the Displaced Persons Act of 1948 for mortgaging quotas for future years up to 50 percent of each year's quota. There must also be added one thousand quota numbers used during 1956 for adjustments of status of aliens in the United States from a temporary to a permanent classification. The total of the quota numbers used or charged to the year 1956 came to 97.5 thousand.

¹Address made before the National Council on Naturalization and Citizenship at New York, N. Y., on Mar. 15.

The underissue of the quotas for fiscal 1956 amounted to 57 thousand numbers. This was accounted for by underissues of 42 thousand for Great Britain, 11 thousand for Ireland, 1,300 for Sweden, and 2,800 for various other countries with minimum quotas.

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In addition to the quota issuances of 97.5 thousand during fiscal 1956, there were issued 162 thousand nonquota visas. This figure includes 30 thousand for Canada and 65 thousand for Mexico. In addition special nonquota visas issued under the provisions of the Refugee Relief Act amounted to 84 thousand.

The grand total of immigrants issued visas during the year, or previously issued visas charged to 1956, came to 332.5 thousand. During the postwar period from July 1, 1946, to June 30, 1956—10 years—the immigration came to 2,337,417.

Speaking of quotas mortgaged up to 50 percent for future years, it is of interest to note that 20 quotas were so mortgaged, 8 of them to the year 2000 or beyond, including Greece to 2018, Latvia to 2275, Poland to 2000, and Yugoslavia to 2015.

Now coming to estimates of demands, I have the following figures as of last November: The number of qualified applicants ready to be given visas as numbers become available, 9 thousand. I may explain here that applicants are not examined too long ahead of the expected issuance of visas. Unqualified demand comprising persons not yet examined includes: Austria 15 thousand, Germany 20 thousand, Greece 104 thousand, Italy 130 thousand, Jamaica 30 thousand, Netherlands 27 thousand, Poland 80 thousand, Portugal 25 thousand, Spain 12 thousand, and Yugoslavia 141 thousand.

The law provides that available quota numbers shall be used for qualified applicants within the first three preference classes before they may be used for other persons. These classes are (1) skilled workers or technicians; (2) parents of United States citizens; (3) spouses and unmarried minor children of alien permanent residents. It is only when these three classes do not use all of the quota that the surplus may be used, one-fourth for the fourth preference class, comprising the brothers and sisters and adult sons and daughters of United States citizens, and three-fourths for nonpreference applicants.

Under the quotas for many countries the demand for visas for preference relatives greatly exceeds the available supply for some years. This is true for second preference, parents of citizens under the quotas for Australia, China, Greece, Hungary, Jamaica, Japan, Philippines, Rumania, Spain, and Turkey. Third-preference spouses and children of resident aliens face a long wait if charged to the quotas of the countries mentioned and if charged to those for Israel, Italy, Lebanon, Palestine, and Yugoslavia. Fourth-preference brothers and sisters and sons and daughters of citizens chargeable to any of these quotas and additionally, to the quotas for Austria, countries in the West Indies, Lithuania, Portugal, and Syria face long waits of many years.

To sum up, we have a huge reservoir of potential immigrants to this country mainly from Europe, the West Indies and Mexico, and the Far East. Under our immigration laws the flow of immigrants is restricted by the quotas totaling 154,657, but these were underissued mainly for Great Britain, Ireland, and Sweden during 1956. With nonquota visas, the total for that year came to about one-third of a million, including the refugee-relief issuances, and during the past 10 years roughly two and a third million immigrants have come. Finally, under many quotas there is an indicated wait of at least several years for relatives of persons in the United States accorded preferences under the law.

The United States is still a great immigrant-receiving nation. With a quarter to a third of a million a year permitted to come for permanent residence with a right to work and enjoy all the benefits of American life and to assume on an equal basis the responsibilities inherent in a democracy, the United States presents a good record among the nations of the world. The President has recommended certain changes in our immigration laws, including an increase in the total of the quotas and a plan for the utilization of unused quota numbers.² Our nation is made up of immigrants who currently come to join immigrants who preceded them and the descendants of former immigrants.

² BULLETIN of Feb. 18, 1957, p. 247.

Ambassador Richards' Mission to Middle East

Following is a Department announcement regarding an interim report on the mission to the Middle East of Ambassador James P. Richards, together with the texts of joint communiques issued after the Ambassador's visits to Lebanon, Libya, Turkey, Iran, Pakistan, Afghanistan, Iraq, and Saudi Arabia, and two press statements on the Baghdad Pact.

DEPARTMENT ANNOUNCEMENT

Press release 226 dated April 19

On April 18, 1957, the Department of State forwarded to the appropriate committees of Congress an interim report on the mission to the Middle East of Ambassador James P. Richards in implementation of Public Law 85-7, March 9, 1957. The report covered the visits to the countries of Lebanon, Libya, Turkey, Iran, Pakistan, Afghanistan, Iraq, and Saudi Arabia.

The report briefly summarized the procedures followed by Ambassador Richards in each of the countries he has visited. The mission has been making clear that the basic purpose of the joint resolution on the Middle East is to help the states of the Middle East maintain their national independence against the encroachments of communism. In each case, on the basis of the explanations offered, the country concerned decided whether it wished to participate in the program. On the basis of such participation, Ambassador Richards, in consultation with other United States agencies in the country concerned, determined what kinds of assistance can help in implementing the desired cooperation. Upon leaving each

country, a joint communique has been issued covering the general area of agreement and setting forth a statement of common purpose. ir th en T

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The results of the mission to date are impressive. As the public joint communiques demonstrate, the governments covered by the interim report have declared their desire to associate themselves with the President's program for the Middle East. It is particularly gratifying that so many of the countries have made known their opposition to international communism.

In the case of four Baghdad Pact countries-Turkey, Iran, Pakistan, and Iraq-Ambassador Richards made two special commitments. One of these, conveyed initially to the Prime Minister of Turkey and later to the others, was a declaration that the United States, if formally invited to do so, is prepared to join the Military Committee of the Baghdad Pact. The other was the assurance given to each of the four countries that the United States is prepared to assist in the development of certain regional programs under consideration in the Economic Committee of the Baghdad Pact. At a Baghdad press conference Ambassador Richards announced that a sum of \$12,570,000 might be made available for this purpose through arrangements to cover the shares of the four countries in the overall projects.

The communique issued jointly with the Lebanese Government on March 16 pointed out that the two countries "consider that international communism is incompatible with national independence and constitutes a cause of permanent trouble for world peace and security." In the Libyan communique issued on March 20 the two Governments agreed "that the aggressive intentions of international communism offer the greatest present threat to national independence and the peace and security of the world community." The Turkish communique issued on March 22 stated: "The reactionary creed of international

¹H. J. Res. 117, as amended; for text, see Bulletin of Mar. 25, 1957, p. 481. For background on Ambassador Richards' mission, see *ibid.*, Mar. 25, 1957, p. 480, and Apr. 1, 1957, p. 526.

communism, it was noted, is set by its very nature in fundamental opposition to the aspirations of the Middle Eastern peoples for political independence and spiritual, cultural, and social freedom." The Iranian communique issued on March 27 noted that: "Should international communism succeed in its imperialistic aims, the security, freedom, integrity and independence of all peoples throughout the free world would face extinction." In the joint communique issued after the visit to Pakistan on March 31, Ambassador Richards, among other things, "re-emphasized that the purpose of the American Doctrine is to enable independent nations of the Middle East region to defend themselves against this direct and indirect threat by international communism." In the communique issued in Kabul after Ambassador Richards' visit to Afghanistan on April 2, the two Governments agreed that "they are determined to defend the political independence and territorial integrity of their respective nations and the right of each to choose its own form of government and to develop its own social and cultural life." The joint communique issued at Baghdad, Iraq, on April 8 stressed the "cooperation between the United States Government and countries of the Middle East to protect their national independence and integrity against the threat of international communism." In the communique issued in Saudi Arabia on April 11 the two Governments reaffirmed that they would "continue to oppose Communist activities, other forms of imperialism and any other dangers that threaten peace and stability in the area."

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In addition to other matters of common interest, the communiques have generally stressed the identity of interests between the United States and the countries of the area in maintaining and strengthening their independence.

Ambassador Richards' mission is now in Asmara, Eritrea. He will fly to Khartoum, capital of the Sudan, April 20 and will remain there until April 22, when he plans to return for a brief rest at Asmara. The remainder of his itinerary will be announced in the next few days.

The interim report was submitted to the following committees: Senate Foreign Relations, Senate Armed Services, Senate Appropriations, House Foreign Affairs, House Armed Services, House Appropriations.

COMMUNIQUES AND PRESS STATEMENTS

Lebanon Joint Communique

Beirut, Lebanon March 16, 1957

On his visit to Lebanon from 14 to 16 March 1957 as Special Assistant to President Eisenhower, Ambassador James P. Richards discussed with the Government of Lebanon President Eisenhower's proposals for the Middle East and the application of these proposals to Lebanon. This exchange of views has shown that the Governments of Lebanon and the United States share the following purposes:

- 1. In their relations with each other and with other nations, they are guided by the purposes and principles of the Charter of the United Nations and by respect for the sovereign equality, rights and legitimate interests of all nations. They are interested in the establishment of a cooperative relationship between themselves based on trust and confidence and on complete respect for each other's independence and sovereignty and without any interference in each other's internal affairs.
- 2. They are determined to defend the political independence and territorial integrity of their respective nations and the right of each to choose its own form of government and to develop in freedom its own social and cultural life.
- 3. They oppose any form of intervention or interference in the internal affairs of one state by another.
- 4. They consider that international communism is incompatible with national independence and constitutes a cause of permanent trouble for world peace and security.
- 5. They are dedicated to the social and economic progress of their peoples and to this end welcome opportunities to enter into mutually beneficial and cultural relationships, on the basis of complete respect for each other's sovereignty and independence.
- 6. They are of the opinion that both nations should work, through the United Nations and by all other peaceful means, toward just solutions of the various problems which create tension within the area. The Government of Lebanon considers that the proposals of the President of the United States are helpful in furthering the purposes set

forth above and has so informed Ambassador Richards, who has welcomed on behalf of the President of the United States this understanding of the broad identity of interest which exists between the two nations. The Government of Lebanon and the special Mission of Ambassador Richards have examined various activities that might be undertaken in accordance with the proposals of the President of the United States. They have decided in principle that projects in the fields of workers' housing, rural electrification, village water supply, irrigation, flood control, highway construction and airport development would best contribute to the needs of Lebanon. These will be in addition to other United States aid projects already in effect or currently planned. Ambassador Richards has agreed further in principle that the United States Government shall provide the Government of Lebanon certain equipment needed to strengthen the Lebanese armed forces. This is in addition to a recent grant of military equipment for the same purpose.

The two Governments will immediately initiate such legal and technical steps as may be required to give effect to these projects. The two states intend further to develop cooperation between themselves to serve their common interests.

Libya Joint Communique

TRIPOLI, LIBYA March 20, 1957

On his visit to Libva from March 17 to 20, the Special Assistant to President Eisenhower, Ambassador James P. Richards, has conferred with the Prime Minister and the Government of Libya. They have reached agreement on the meaning and purpose of President Eisenhower's proposals for the Middle East. This exchange of views revealed an identity of interests of the two nations and agreement to work together for the successful application of the Middle East plan, which provides: (1) if requested, defense against any armed aggression by forces of international communism which may be directed at any nation of the Middle East; (2) assistance in developing the security forces of countries of the Middle East which request help for the purpose of protecting their freedom and independence; (3) aid in strengthening the eco-

nomic systems of Middle East countries as the best defense against the threat of subversion. The Government of Libva and the special Mission of Ambassador Richards agreed that the aggressive intentions of international communism offer the greatest present threat to national independence and the peace and security of the world community. They also confirmed that it is the general cry of both countries to oppose any aggression from any source. The Government of Libya received with approval Ambassador Richards' assurance that the United States Middle East policy does not seek to establish spheres of influence or special positions of power in the Middle East but is devoted to strengthening the nations of the area so that they may be masters of their own destinies. In support of the principles enunciated above, it was agreed that additional economic aid to Libva is needed and will be forthcoming from the United States.

Turkey Joint Communique

ANKARA, TURKEY

March 22, 1957

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His Excellency Prime Minister Adnan Menderes, and other Ministers of the Government of Turkey and Ambassador James P. Richards, Special Assistant to the President of the United States, have discussed the proposals of the President of the United States for strengthening the national independence and insuring the territorial integrity of states in the general area of the Middle East against international communism. Prime Minister Menderes has reiterated his Government's endorsement of these proposals.

During these discussions, Ambassador Richards recalled President Eisenhower's assertion that the firm and fixed purpose of the United States was to build peace with justice in a world where moral law prevails. The American Doctrine is an expression of this philosophy. It is based on recognition of the community of interest of the American people and the peoples of the Middle Eastern area in the security of the Middle East against international communism. The reactionary creed of international communism, it was noted, is set by its very nature in fundamental opposition to the aspirations of the Middle Eastern peoples for political independence and spiritual, cultural, and social freedom. Should international commu-

nism succeed in perverting or thwarting these aspirations in the Middle East, the security of all free peoples everywhere would be threatened.

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The purpose of the American Doctrine, as stated by Ambassador Richards, is to assist independent nations in the general area of the Middle East to strengthen their ability to deal with the possibility of direct or indirect aggression by international communism. The two Governments have agreed to continue their cooperation in seeking to attain the above objectives.

The Government of Turkey learned with approval of United States efforts to assist in attaining these objectives by the following:

1. Establishing a deterrent to armed attack on any nation in the area by a country under the control of international communism. The President of the United States and the American Government and people have made clear their determination to use, if necessary, the armed forces of the United States in the event of such attack, but only upon the request of the state or states attacked.

2. Providing military assistance to strengthen internal security and legitimate self-defense against communist aggression.

3. Providing economic aid to promote the development of states in the area and also to prevent communism capitalizing on economic distress.

The Government of Turkey and the United States in accordance with their long-established policies continue to oppose any form of intervention or interference in the internal affairs of one state by another. They consider international communism a threat to national independence and to world peace and security and are determined to cooperate together in conformity with the Charter of the United Nations, in protective measures against this threat.

The Government of Turkey and the special Mission of Ambassador Richards have agreed on ways in which the development of economic and military aid to Turkey would advance the cooperative efforts of the two Governments to attain the aims and purposes of the Middle East proposals.

Ambassador Richards further states that the United States was prepared to offer financial assistance toward several joint projects of a regional nature which have been considered by the Economic Committee of the Baghdad Pact.

Iran Joint Communique

Tehran, Iran March 27, 1957

Press release 176 dated March 28

His Excellency Prime Minister Hussein Ala and members of his Cabinet, and Ambassador James P. Richards, Special Representative of President Dwight D. Eisenhower, have met in common cause and interest to discuss the purposes and aims of the American Doctrine, proposed by President Eisenhower and decisively adopted by the American Congress.

During these discussions Prime Minister Ala reaffirmed his Government's endorsement of the purposes of the new American policy to strengthen the national independence and defend the territorial integrity of the countries in the general area of the Middle East against international communism and its imperialistic aims.

Ambassador Richards outlined the philosophy of President Eisenhower's policy, emphasizing that the foremost hope and purpose of the United States was, in company with its likeminded friends, to build peace with justice. He pointed out that the peoples of the Middle Eastern area and the people of America have a common interest in their joint efforts to preserve liberty and freedom through the maintenance of security against encroachments by international communism in the Middle East. International communism is incompatible with the aspirations of the people of the Middle East for political independence, national integrity, religious, cultural and social freedom. It is likewise incompatible with the freedom heritage of the American people. Should international communism succeed in its imperialistic aims, the security, freedom, integrity and independence of all peoples throughout the free world would face extinction.

The two Governments intend to continue their close cooperation to attain their mutual objectives.

Ambassador Richards explained that the President of the United States and the American Government and people have declared it their policy to use, if necessary and appropriate and if requested, the armed forces of the United States in support of any country in the area of the Middle East which is attacked by a country under the control of international communism.

He emphasized that the United States, in accordance with its historical traditions, has no territorial designs in the area, nor is it desirous of creating a so-called sphere of influence. Its desires are solely to assist the nations in the Middle Eastern area to achieve security and economic wellbeing. It is not seeking to fill a power vacuum. If one exists, the United States believes it should be filled by the increasing strength of the Middle Eastern nations themselves.

The Governments of Iran and the United States, in accordance with their long established policies, continue to oppose any form of intervention or interference in the internal affairs of one state by another. They are determined, in conformity with the United Nations Charter, to cooperate together in protective measures against the threat of aggression from any source.

Substantial American aid in the form of economic, technical and military assistance is continuing. Because of past experience and Iran's own increasing capabilities, it is anticipated that American aid will accelerate progress in Iran's economic development program and toward the Government's goal of a better standard of living, with full national security, for its people.

The representatives of the Government of Iran and the special Mission of Ambassador Richards have agreed on procedures in which the development of economic and military aid to Iran can serve best to achieve the aims and purposes of the Middle East proposals.

Ambassador Richards stated that the United States was prepared to offer assistance toward several joint regional projects which have been or may be approved by the Economic Committee of the Baghdad Pact. These would be in addition to the large economic aid programs already in progress in Iran. As further evidence of America's deep interest and belief in the defensive objectives of the countries of the Baghdad Pact, the United States has expressed a willingness to join the Military Committee of the Pact, if invited to do so.

Ambassador Richards agreed that the United States would provide increased financing for an already planned large military construction program to meet the needs of the imperial Iranian armed forces and would also provide certain additional items of military equipment to those forces.

Pakistan Joint Communique

KARACHI, PAKISTAN March 31, 1957 re

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At the invitation of the Government of Pakistan, Ambassador James P. Richards, who as Special Representative of the President of the United States is touring the countries of the Middle East region, has visited Karachi to explain the American Doctrine as propounded by President Eisenhower on January 5, 1957.

The President, assisted by the Prime Minister, the Foreign Minister and the Finance Minister, has met Ambassador Richards, who has explained the purposes and aims of the American Doctrine. It was emphasized by Ambassador Richards that United States Middle East policy does not wish to establish any sphere of influence in the Middle East. It does not seek to fill any power vacuum in the region nor does it aim at securing military bases. United States policy is solely designed to strengthen the nations of the area so that they can maintain their independence and territorial integrity.

It was noted that communist imperialism, through overt aggression or internal subversion, constitutes a direct threat to the national aspirations of the peoples of the Middle East, which if allowed to develop would jeopardize the independence and freedom of peoples everywhere. Ambassador Richards re-emphasized that the purpose of the American Doctrine is to enable independent nations of the Middle East region to defend themselves against this direct and indirect threat by international communism.

In reiterating their endorsement of the American Doctrine, the Government of Pakistan have expressed their willingness to cooperate with the United States Government in securing the peace of the Middle East, to which Pakistan is already committed as a member of the Baghdad Pact. They were pleased to learn of the United States decision to join the Military Committee of the Baghdad Pact, if invited to do so. They have also welcomed American efforts to assist in the objective of securing the peace of the area not only by providing military and economic assistance to the countries of the Middle East region, but also by the employment of United States forces, whenever deemed necessary, and if requested by any state or states of the Middle East

region in the event of armed attack by forces of international communism.

The determination of both Governments to oppose aggression from any quarter was reaffirmed.

The Government of Pakistan have suggested to Ambassador Richards certain economic and military projects as worthy of aid under the American Doctrine, and he has agreed to provide assistance in both fields. In particular, the United States will lend funds to assist in soon starting construction of fertilizer factories. The Government of Pakistan are glad to learn that the United States are also prepared to finance several joint projects of a regional nature which are already under the consideration of the Economic Committee of the Baghdad Pact.

Afghanistan Joint Communique

Kabul, Afghanistan April 2, 1957

Press release 193 dated April 5

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At the invitation of the Royal Afghan Government, Ambassador James P. Richards, Special Representative of President Eisenhower, has paid a three-day visit to Afghanistan. Ambassador Richards and companions arrived in Kabul in accordance with their program of visit to the Middle East on the eleventh of Hamal, 1376, corresponding to the thirty-first of March, 1957 and held meetings with Sardar Mohammed Saoud, the Prime Minister of Afghanistan.

The meetings and conversations took place in an atmosphere of cordiality in accord with the close and friendly relations existing between Afghanistan and the United States of America.

In the course of these meetings Ambassador Richards explained the purpose of the visit to Afghanistan and other Middle Eastern countries. He outlined the purposes and principles of the Middle Eastern policy recently announced by the President of the United States. He explained the aims of the United States Government's assistance and cooperation in the development of Middle East countries for the preservation of their full independence and sovereignty and for the prevention of aggression from any source, and the maintenance of peace and security in the area. Ambassador Richards emphasized that the United States, in accordance with her historical tradi-

tions, does not in any way have any territorial designs in the area. He stated that the United States aim was to see that the countries of the Middle East achieve economic development and well-being for the maintenance of peace and security.

The Prime Minister explained Afghanistan's traditional independent policy of neutrality and the intention of the Government and the people of Afghanistan to maintain this policy for the purpose of preserving good relations with all friendly states and all the peoples and nations of the world, and to develop the economic, social and cultural aspects of the country under the aegis of world peace and security. The Prime Minister reiterated the unswerving determination of the Government and the people of Afghanistan to maintain the national independence which emanates from the immortal will and the historical struggles of the Afghan nation.

The Prime Minister of Afghanistan welcomed the determination of the United States Government to assist and to cooperate with the countries of the Middle East for the purpose of strengthening their economies and raising the standard of living of the peoples of the area for the preservation of their national independence. The Prime Minister explained and reiterated Afghanistan's natural interest in the amelioration of conditions and the maintenance of peace and security in the Middle East.

The Prime Minister and Ambassador Richards concluded that the Governments of Afghanistan and the United States agree that:

- 1. In their relations with one another and with other nations, they are guided by the purposes and principles of the Charter of the United Nations and by respect for the sovereign equality of all nations.
- 2. They are determined to defend the political independence and territorial integrity of their respective nations and the right of each to choose its own form of government and to develop its own social and cultural life.
- 3. They are dedicated to the social and economic progress of their peoples and to this end welcome opportunities to enter into mutually beneficial economic and cultural relationships which will always reflect their respect for the sovereign equality of all nations and opposition to foreign intervention or interference in internal affairs.

4. They harbour no aggressive intentions against any nation and will always seek to live in peace with their neighbors.

5. They recognize that promotion of the economic, social and cultural aspects of the countries of the Middle East and the elimination of the mutual differences between these countries is one of the most effective means of maintaining peace and security in the area.

6. The existing economic and cultural cooperation between Afghanistan and the United States shall be continued without any political conditions or restrictions as heretofore. It was agreed that the economic and cultural relations between the two countries have proved to be mutually advantageous. Ambassador Richards discussed certain additional selected economic projects beneficial to Afghanistan, in which the United States is prepared to be of assistance.

Iraq Joint Communique

BAGHDAD, IRAQ April 8, 1957

Press release 197 dated April 9

Ambassador Richards, Special Representative of the President of the United States, who came to Baghdad at the invitation of the Government of Iraq, has met with the Prime Minister of Iraq and members of the Iraqi Government. They have had fruitful talks during the past two days.

They discussed the proposals enunciated by the President of the United States for cooperation between the United States Government and countries of the Middle East to protect their national independence and integrity against the threat of international communism.

The discussions have confirmed the identity of views between the United States and the Government of Iraq and the nature of this threat and the necessity to cooperate to defend themselves against it. They also confirmed the agreement of the two Governments on their opposition to aggression or subversion from any source.

Ambassador Richards noted with satisfaction the success of the efforts the Iraqi Government is making to develop the resources of the country to improve the welfare of the Iraqi people, which also contributes to their ability to preserve their independence and freedom.

The Prime Minister and Ambassador Richards reaffirmed the dedication of their Governments to

the principles of the United Nations for the maintenance of international peace and security.

The Prime Minister welcomed the decision of the United States Government to participate in the Military Committee of the Baghdad Pact if invited to do so.

Various activities for the furtherance of the proposals of the President of the United States were discussed.

Ambassador Richards explained that the United States was seeking no bases and did not desire to establish any sphere of influence in this area, wishing only to help the nations of the Middle East to maintain their own independence. He agreed that certain additional military assistance should be provided Iraq. He also agreed that the United States Government would furnish assistance in support of the internal security forces of Iraq and, within the framework of the Baghdad Pact, to develop Iraq's telecommunications network. Some assistance will also be given toward the development of Iraq's domestic railroad requirements.

Press Statements on Baghdad Pact

Baghdad, Iraq April 8, 1957 app

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Statement by Ambassador Richards

Having completed my visits to the Baghdad Pact capitals of Turkey, Iran, Pakistan and Iraq and having had the opportunity today to consult with Mr. Awni Khalidy, Secretary General of the Baghdad Pact, I am happy to make the following announcement:

The United States Government is prepared in principle to initiate the necessary procedural and legal steps to make available through the Secretary General of the Baghdad Pact up to \$1 million to cover the cost of certain railroad, highway and telecommunications surveys as recommended by the economic experts of the Baghdad Pact Economic Committee.

Further the United States is prepared in principle to initiate the necessary procedural and legal steps to furnish \$11,500,000 ° of grant assistance to the four member nations of the Baghdad Pact cited above to cover the cost of certain consultant and engineering studies and equipment in support of the foregoing projects.

^{*} The precise figure is \$11,570,000.

I am sure the Baghdad Pact Governments will approve as early as possible the recommendations of the economic experts of the Baghdad Pact in order that implementation of the projects may be initiated with minimum delay.

Implementation of the projects will follow the conclusion of bilateral agreements between the United States and each member Government concerned.

Statement by Secretary General Khalidy

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Mr. Khalidy discussed with Ambassador Richards the progress of the Baghdad Pact and its plans for contributing to the integrated economic development of the countries of the Pact region. Ambassador Richards expressed to the Secretary General the strong support of the United States for the Baghdad Pact. He informed the Secretary General that in support of the economic program of the Baghdad Pact the United States was prepared to make available an amount up to \$12,-500,000 for the advancement of certain Baghdad Pact regional projects in the telecommunications, railroad and highway development fields recommended for priority consideration by the economic experts of the Baghdad Pact Economic Committee at their recent meeting in Baghdad. Of this amount up to \$1 million would be devoted to economic surveys to be undertaken in the immediate future through arrangements to be made under the auspices of the Secretary General.

The Secretary General on behalf of the Baghdad Pact thanked Ambassador Richards for his expressions of United States support for the Baghdad Pact and in particular for his generous offer of United States financial assistance for Baghdad Pact economic projects. Ambassador Richards and the Secretary General agreed that the work should proceed with the utmost speed.

Saudi Arabia Joint Communique

RIYADH, SAUDI ARABIA April 11, 1957

Press release 207 dated April 12

His Majesty's Government welcomed His Excellency, Ambassador James P. Richards, Special Representative of the President of the United States to Riyadh on Tuesday, ninth of Ramadan, 1376, corresponding to the ninth of April, 1957.

His Excellency was received in audience by His Majesty King Saud of Saudi Arabia. He explained to His Majesty the purposes of the President's Middle East proposals, which are designed to strengthen the countries of the area and to enable them to maintain their independence and national security. He restated his Government's policy of opposing aggression from any source. He listened to His Majesty's views and ideas in this connection, and promised to convey these views to His Excellency, the President of the United States.

His Excellency also met with His Royal Highness the Prime Minister and with members of the Saudi Government. As the result of these discussions, both parties found themselves agreed on reaffirming the policy which has been set forth in the joint communique issued in Washington on the eighth of February, 1957, by His Majesty the King of Saudi Arabia and His Excellency the President of the United States.³ They will continue to oppose Communist activities, other forms of imperialism and any other dangers that threaten peace and stability in the area.

Agricultural Commodity Sales Agreement With Colombia

Press release 217 dated April 17

The United States and Colombia on April 16 signed an agreement authorizing the sale to Colombia, through private U.S. traders, of wheat, wheat products, cotton, and edible oils. The export market value of this transaction, including part of the ocean transport, is \$20.4 million. These sales are being made under authority and provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended, in conjunction with agreed dollar purchases. The agreement was signed at Bogotá by the Foreign Minister of Colombia, José Manuel Rivas Sacconi, and the U.S. Ambassador, Philip Bonsal.

This is the third agricultural sales agreement concluded with Colombia. It provides that payment under the sales program shall be made partly in U.S. dollars and partly in Colombian currency. A substantial part of the Colombian pesos accru-

³ For test, see Bulletin of Feb. 25, 1957, p. 308.

⁴ For Department announcements of previous agreements, see Bulletin of Jan. 2, 1956, p. 27, and July 11, 1955, p. 85.

ing under this agreement will be earmarked for loans designed to contribute to Colombia's economic development and will be repayable in dollars or pesos under the terms of a supplemental loan agreement which is to be concluded at a later date. The balance of the Colombian pesos accruing will be reserved for the use of the United States in Colombia.

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Economic Interdependence in the Americas

by Roy R. Rubottom, Jr.
Acting Assistant Secretary for Inter-American Affairs 1

Thank you for inviting me to speak to you today concerning our relations with our sister American Republics. It is particularly fitting to do so now while the entire hemisphere is observing Pan American Week in celebration of the 67th anniversary of our inter-American system, embodied in the Organization of American States.

The objectives of Rotary are so much in line with the purposes of the Organization of American States as set forth definitively in the charter of Bogotá, which established its present form, that it is interesting to examine them together. Rotary's stated objectives are to encourage and foster the ideal of service as a basis of worthy enterprise-in particular, to promote the development of acquaintance as an opportunity to service; to uphold the ethical standards and dignity of business and professional life; to make the ideal of service a personal ideal for every Rotarian; and to further the advancement of international understanding, good will, and peace through a world fellowship of business and professional men united in the ideal of service.

Every one of these objectives upheld by Rotary is in harmony with the great inter-American purpose of solidarity as outlined in the charter of the Organization of American States. This purpose is for our American Republics to achieve an order of peace and justice; to promote their solidarity; to strengthen their cooperation one with

another; and to defend their sovereignty, territorial integrity, and independence.

May we not say that just as Rotary has made "service" its watchword, "cooperation" is a keyword of the Organization of American States; and, for each, international understanding and good will are both ends and means.

I would like, in my talk today, to sketch for you, in as much detail as the time will allow, the total picture of our economic relations with Latin America. It is a picture which, I am sure, you will find encouraging, particularly when viewed in relation to the worldwide economic scene.

First of all, let us realize that in Latin America we are dealing with the peoples of 20 other Republics who cherish the same ideals and principles which guide us in the conduct of our national affairs, whose historic development contains many striking similarities to our own, who look to the future with the same determination to build for their children a more secure and fruitful life. We are, in a true sense, a family of states, seeking common goals along a common path.

Sources of Dollar Income

To understand better our economic relations with Latin America, and their importance to us, let me make a few comparisons. First, our trade with the 20 other American Republics is greater than that which we have with any other area of the world. Thirty percent of our imports come from Latin America, and we sell there one-quarter of our total exports. This two-way trade be-

¹ Address made before the Rotary Club of New York at New York, N. Y., on Apr. 11 (press release 202).

tween the United States and Latin America is now at a level of \$7.5 billion per annum.

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In the field of private investment more than one-third of United States direct private investment abroad is located in Latin America, that is, over \$7 billion. This investment is increasing at the rate of over \$500 million per year.

Another part of the picture is tourism. An estimated \$330 million was spent by American tourists in Latin America in 1955. The \$260 million income which Mexico received from our tourists in 1955 was that country's largest single source of dollars.

The above items—trade, private investment, and tourism—are the principal nongovernment sources of dollar income received by Latin America from the United States. Let us now look briefly at the government sources. In the last year loans of the Export-Import Bank to Latin America were \$409 million. During the past 4 years the total was \$1.1 billion. It is the Export-Import Bank's policy that no economically sound developmental project in Latin America shall fail for lack of access to capital from other sources to cover its dollar needs. The only limits on such sound loans which the bank is willing to make in Latin America are the limit of the bank's capacity and the borrower's ability to repay in dollars.

Another similar source of funds is the International Bank for Reconstruction and Development, which, in the fiscal year 1956, made loans of \$75.1 million in Latin America. The International Finance Corporation, an affiliate of the IBRD, promises soon to be a valuable source of additional capital for private-enterprise ventures in Latin America.

A new source of capital, in this case local currencies rather than dollars, has been created under surplus agricultural commodity agreements which our Government has entered into with seven of the Latin American countries. Under the sales agreements for these surplus commodities the bulk of the local currency proceeds is reserved for loans to the local government and to private industry for use in economic development. In the past 2 years sales for the equivalent in local currencies of nearly \$300 million have been negotiated in Latin America.

A further, and important, component of our economic relations with Latin America is in the field of technical cooperation. During the past 4 years our contribution toward these cooperative

programs has been at an annual level of about \$28 million.

The final important source of income to Latin America from a U.S. Government source is non-military grant aid. Consistent with their proud tradition as proud peoples, the Latin American Republics prefer not to receive grant aid from us. As sources of dollars, they prefer trade, investment, sound loans, and technical cooperation. However, in the past several years temporary emergency conditions in three countries—Guatemala, Bolivia, and Haiti—have been such that grant aid became essential. In each country the objective was the prevention of hunger and the reestablishment of a self-reliant economy.

In the case of Guatemala, the emergency resulted from the bankrupt treasury and stagnant economy which the present government was faced with on ousting the Communist-dominated Arbenz government in 1954. With our cooperation the Guatemalan Government has since made great strides toward putting the country's economy on a stable and progressive basis. In Bolivia the problem has been to assist in terminating its dependence on a single export, tin, and the more effective development of the country's varied resources for the benefit of the entire population. Haiti's problems stemmed from the devastation wrought by Hurricane Hazel, particularly with respect to the country's principal export crop, coffee. In the past 3 years our grant aid to Latin America has been at the level of about \$40 million each year.

Having enumerated the principal sources of dollar income which Latin America receives from the United States, let me try to evaluate it in terms of our economic relations with the area.

It is in our national self-interest that Latin America have a continuing and adequate source of dollar income, not only to purchase our exports but to contribute to the development of sturdy self-reliant economies in each of the Republics. With the most rapidly increasing population of any comparable area it is essential that the economies of these nations develop rapidly, but rationally, if they are to meet the aspirations of future generations for a better standard of living. The present estimated population is increasing annually at the rate of approximately 2.5 percent. The other 20 American Republics now have an estimated population of 170 million. Looking into the future, based on its present rate of growth,

we can anticipate a Latin American population of 500 million by the year 2000, or about double that of the United States and Canada together at that time and at the present rate of increase.

Primary Importance of Trade

Of these sources of dollars, trade is undoubtedly of primary importance to Latin America. It renews itself year after year and is self-perpetuating. Trade is most easily expanded through the efforts and ingenuity of individuals, provided governments do not intervene unduly to create obstacles. Efforts to increase trade, or to eliminate barriers to trade, can most effectively contribute to the further improvement of our economic relations. This \$7.5 billion trade so beneficial to both the United States and Latin America can be increased substantially over the years, as it has been increasing in the past, to our mutual advantage.

There is much that can be done by private citizens and by governments both in Latin America and the United States to increase this trade.

Some of Latin America's exports enjoy a monopoly or near monopoly on the United States market. How much could the markets for these products be expanded if a really intensive long-term campaign were undertaken by the traders in these products? For instance, does this country really satisfy its "coffee hunger"?

Many Latin American exports, however, must be sold in the United States in competition with our domestic production of the same product. In this situation there are conflicting interests which must be reconciled in the national interest. On the one hand, we must recognize that, if economic and political stability is to exist in Latin America, we must protect its existing access to the United States market. At the same time, domestic producers, understandably, press for protection against competitive foreign products. Your Government seeks carefully to resolve these situations in terms of our national interest, which includes encouragement to the healthy economic growth of our neighbors. In doing so, it must be borne in mind that to restrict access to our markets to Latin American exporters means that we are restricting in turn the Latin American markets of our own exporters of agricultural and manufactured products. Our Latin American customers must earn their dollars in our markets if they are to continue buying from us.

The expansion of this inter-American trade is important to each of us. The 25 percent of our total exports we sell to Latin America means a great many jobs to our labor force. It contributes greatly to the strength of the hemisphere and to our own security by making its basic contributions to the development of stable free-enterprise economies in Latin America.

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Private Investment

Second in importance to trade as a source of dollars for Latin America is private investment. Since profits must be earned before there is any remittance, private equity investment is preferable from the point of view of the capital-importing country to loans on which interest must be paid—whether or not the loan is profitably employed. Our private investment already has an enviable record in contributing to the economic development of Latin America. A recent survey of the Department of Commerce has undertaken to assay the role of United States investment in the Latin American economy.2 This study shows, in a way that was heretofore not generally known. the mutually beneficial results of this investment. Some of the facts revealed are particularly noteworthy:

—United States companies in Latin America in 1955 paid salaries of a billion dollars to 609,000 employees, only 9,000 of whom were brought from the United States. This is an average wage of \$1,600 per year.

—In that year these companies paid over \$1 billion in taxes.

—These United States financial operations produced in Latin America in 1955 goods and services valued at \$4.8 billion. More than \$2 billion of these goods and services were sold abroad for dollars, while \$2.5 billion were sold in local markets—most of them replacing goods which otherwise might have to be imported.

—To support these operations in 1955 these companies used \$650 million to import raw materials and capital equipment and remitted \$555 million in earnings, at the same time making a net

² For an article based on this survey, see "The Role of U.S. Investments in the Latin American Economy," by Samuel Pizer and Frederick Cutler, Survey of Current Business, January 1957, for sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C., 30 cents.

new investment of \$100 million in Latin America.

—The net contribution of United States companies to the Latin American economies during 1955 is consequently estimated at \$3.5 billion.

—The net gain to Latin America from the operations of United States direct investments was \$3.5 billion in 1955.

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The third important source of dollars I have mentioned is that of tourism. Like trade and private investment, it is generated, fundamentally, by private initiative rather than government. And, like those two sources, it is capable of steady and lucrative expansion, not based on government appropriation of funds. Latin America has a vast potential source of income in its multiple tourist attractions which has so far been only partially exploited.

The completion of the Inter-American Highway to the Panama Canal and the improvement of travel and hotel facilities will undoubtedly attract in the future a greater portion of the millions of Americans who annually travel abroad. At the present time, 36.2 percent of our 1,284,000,000 tourist dollars go to Europe each year, while only around 25 percent, or \$330,000,000, go to Latin America. Competition in this field is keen, and the interested countries must "sell" their attractions

The fields in which private enterprise and initiative can expand and develop the inter-American economic opportunities are indeed challenging to the people of this hemisphere, and the importance of these economic relations to the people of our country and of the other American Republics would be difficult to overstate. While the governments of the hemisphere can make certain contributions toward this development, or can retard it, the course which our countries will follow in this mutually beneficial undertaking will be determined, essentially, by the efforts of our people.

With respect to the role of the governments of the hemisphere in the improvement of the living standards of our peoples, I would like to call your attention to efforts which are now being made to strengthen the Organization of American States in the economic, financial, social, and technical fields.

When the Presidents of the American Republics met in Panama during July of last year,3 there was enthusiastic response to President Eisenhower's proposal that each of the 21 Presidents name a personal representative to meet together and make practical suggestions which the Organization of American States could appropriately adopt to strengthen its cooperative efforts in those fields which affect the welfare of the individual. President Eisenhower named his brother, Dr. Milton Eisenhower, to be the United States representative. These representatives, who have come to be called the Inter-American Committee of Presidential Representatives, met formally last September and again in January 4 of this year. They plan a final meeting later this month to put in final form the reports which they will make to the respective Presidents.

While it would be premature to speculate on the detailed form this report will take, I can assure you that the members of this special committee representing all the American Republics, their staffs, and the secretariats of the Oas have devoted a great deal of earnest effort toward developing realistic proposals to strengthen and expand the cooperative activities of the Organization of American States in such fields as public health, the peaceful uses of nuclear energy in various fields, educational exchange, agricultural research, and public education. These governmental activities will make an essential contribution toward providing the individual with the "tools" of good health, literacy, and technical know-how so essential in the development of the hemisphere's natural resources for the benefit of its peoples.

I have tried to summarize for you the activities of the peoples and the governments of the 21 Republics which make for the economic interdependence of the Americas. This interdependence which has contributed so much of mutual benefits to our peoples already holds great promise for the future. This promise has achieved increasing reality through our joint efforts to develop in a dynamic fashion the economies of all of the countries which make up our great inter-American community.

³ Bulletin of Aug. 6, 1956, p. 221.

^{&#}x27; Ibid., Oct. 1, 1956, p. 511, and Mar. 25, 1957, p. 479.

The Two Halves of Progress

by Robert C. Hill
Assistant Secretary for Congressional Relations 1

For nearly a century and a half the United States has been forging hemispheric ties of greater and greater solemnity and intimacy. In my lifetime we have become aware that, when we speak of the "American way," we intuitively or subconsciously mean the "All-American way." This is the spirit infusing the whole history and tradition of growth in our hemisphere.

For many years-if my youth may speak in terms of many years-I have been excited by the potential of cooperation that presents itself to the northern and southern halves of the New World. Some years ago I was the employee of an American company which has pioneered, and I hope with a feeling of satisfaction on the part of its Latin American associates, in the development of economic relations between the United States and Latin American nations. Later I was associated with the Senate Committee on Banking and Currency at the time when Senator Homer Capehart first talked with me about a Senate mission to Latin America. Still later I served on two different occasions as United States Ambassador to Central American countries-Costa Rica and El Salvador-whose economies are closely and profitably related to the United States.

In the future we hope there will be opportunities to foster even closer relationships between countries whose relationships have been instructively intertwined for many decades. In an earlier generation there were times, of course, when great difficulties had to be surmounted; there were times in which the tests of accommodation

and of mutual respect and mutual helpfulness had to be tried in the fiercest fires.

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Happily, these precarious times are past. In the United States today, as in what were the most ancient of the Spanish viceroyalties, the long testing and evolution of relationships has finally reached a point where mutual understanding and cooperation were never greater.

In this respect almost anything that can be said about one American country can be said with equal truth about any nation in the Americas. That truism has a vital political significance for the world. It is significant because, in a world of so many unknowns, mankind builds on what it knows. The fact that the United States knows and respects Latin America and Latin America knows and respects the United States is therefore a portent for growth that cannot be exaggerated.

Pan-American Unity

We in the United States are not ignorant of our debt to Latin America. In all the talk about underdeveloped nations—whatever economic meaning that expression may have—we are not unaware that Latin America has long been in the vanguard of civilization in its concept of the dignity of man and his relationship to the universe.

We do not forget that the rights of man embodied in our Declaration of Independence had strong spiritual support from the noble Padre Las Casas, administrator of the Council of the Indies, pleading the cause of the enslaved Indian at the court of Spain. In the United States Capitol building itself, one is reminded of that; as you come down one of the important stairways, there

¹Address made at the Pan American Day banquet honoring the Council of the Organization of American States at Los Angeles, Calif., on Apr. 14 (press release 210 dated Apr. 12).

in front of you in a famous mural is the portrait of Las Casas, the first man in the Western Hemisphere to enunciate the inviolable rights of mankind.

We do not forget that the first idea of pan-American unity came from Latin America—from Bolívar—nor that the first concept of a United Nations was born in the Bolívarian concept, nor that the first pan-American conference was called in Panama—again by Bolívar.

But, while it is well to recognize these riches in our heritage, it is still the better part of wisdom to look ahead rather than backward. In the past the dignity of the human spirit was a subject of intense preoccupation in Latin America because progress in other directions was grievously inhibited. Progress was slow because nature had locked up the resources of Latin America in difficult geographical and chemical formulas. Until the coming of the airplane, until the age of abundance in power and machinery, until the miraculous discoveries of modern science and medicine enormous wealth was hidden away in the remoter jungles and mountain fastnesses.

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Today we are engaged in a great scientific effort to unlock the storehouses of the world's hidden riches. We want to accelerate the volume of production, to provide easy access to the remotest wilderness, to uplift the standards of living in regions where natural resources have been too long hidden from use. In response to this challenge the generosity and imagination of the people of the United States are exploring the problems of underdeveloped nations all through the world.

For myself I am confident that in this effort the people of the Government of the United States are not going to lose sight of the historical priorities. And believe me, there are priorities, even though we recognize the interdependence of freedom-loving men everywhere.

The priorities are partly spiritual, residing in our common faith in the dignity of the individual; they are partly historic, residing in the constant evolution of such institutions as the Organization of American States; and they are partly economic, residing in the fact that we occupy an economic plateau which is measurably higher than those in many parts of Africa and Asia and the Communist orbit.

We in the Western Hemisphere are the world's greatest bastion against the totalitarian invasion.

We are capable of defending civilization in a spirit of unity because as a whole we are further along in the process of development. I sincerely mean that; I am not indulging merely in rhetorical overstatement. A region such as Latin America, with 150 years of experience in self-government, in cultural diversity, and in economic development, is far more likely a candidate for progressive growth than a similar area where there is no long tradition of political self-discipline, no long kinship with 20th-century scientific advancement, no present source of skilled labor, and in some cases fewer of the spiritual values that create the incentive for progress.

Copper and iron and petroleum are chemically the same everywhere. Food is much the same no matter what the longitude and latitude in which it grows. But for the United States, products can have "plus" values. So far as American policy is concerned, iron ore in nearby Latin American countries belonging to people who share our economic and cultural values is, in my opinion, a higher grade of iron ore than in some other parts of the world.

U.S. Capital Investment in Latin America

The essence and reality of the Western Hemisphere alliance can easily be demonstrated statistically. The United States relishes in many ways its close ties with Latin America. To prove that, you need look no further than the figures on foreign investment. Private individuals and corporations in the United States have put more than \$7 billion worth of their capital to work in Latin America.

Moreover, a recent economic analysis has clearly refuted one of the favorite arguments of demagogs-the argument that United States capital bleeds and exploits Latin America. Here are the facts: Every year United States companies in Latin America produce nearly \$5 billion worth of goods and services. They provide 30 percent of all the goods exported from Latin America. Every year 600,000 Latin American workers receive nearly a billion dollars in wages and salaries from United States companies. Every year the Governments of Latin America receive over a billion dollars in taxes from these same companies. And in contrast to this enormous increment of new wealth for Latin America, remittances of profits are barely one-tenth as much as total productionsome \$600 million a year—and the flow of new investment and reinvestment in productive enterprise is actually greater than the remittance of profits.

As we look to the future, however, it is not enough merely to say that United States capital has contributed to the Latin American pattern of growth. New economic pressures are emerging in many parts of the world—in Asia, in the Middle East, and most notably and most recently in Africa. All the countries where economic development has been slow are now clamoring for a swift acceleration in the tempo of expansion. In many of these areas there are rich opportunities for capital investment, for socially desirable services, and for legitimate profits. Latin America must now compete with all these burgeoning economies for money and facilities and know-how.

During the period when Communist intrigues and nationalist pride were trying to frighten international capital into hiding, it was politically fashionable for leaders in some countries to debate whether foreign capital ought to be made welcome. Today the issue is no longer debatable. Every fact of modern life insists that international capital must be obtained if the pace of development in Latin America is to be maintained.

A Job for Private Enterprise

The only remaining issue is: Who will provide the capital and on what terms?

Already part of the answer is visible. Already we know who is not going to provide the capital. By tacit agreement neither the United States taxpayer nor the Latin American taxpayer is going to pay for creating the means of production. It is clear that Latin America is fundamentally in tune with the United States concept of production: that the manufacture of goods for private consumption should not be financed with governmental funds but that instead this is a job primarily for private enterprise.

Such an understanding is a long step forward. In certain other parts of the world, where the rate of capital formation is slow, economists and statesmen have been saying that private initiative cannot answer urgent social needs. They have been saying there must be "mixed economies," made up in part from public and in part from private funds. This type of argument is being propounded even in cases where the government

has no resources of its own and where government revenues are so slender as to provide no real foundation for public credit.

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It is significant and heartwarming that Latin America as a whole has steered clear of this. From the Rio Grande to Tierra del Fuego, businessmen and government leaders alike have put their faith primarily in private enterprise. At times, and often without mincing words, they have criticized United States capital and American corporations: but it is certainly notable that they have not closed their doors to investors, they have not invented discriminatory and confiscatory taxes, they have not pretended they can "go it alone" and provide food and clothing for their people with mimeographed speeches on patriotism. In short, there already exist in this hemisphere the bricks and mortar with which to build a harmonious, productive economic structure.

Our assets are clearly visible. We have a common respect for the individual and his place in the economic system whether he be owner, manager, or worker. We have interrelated economies with some areas producing raw materials, others producing food and fibers, others developing complementary processing facilities. We have a multibillion-dollar system of production already in operation. We have trade valued in billions of dollars flowing steadily in multilateral patterns throughout the hemisphere.

Not to be overlooked by any means is the existence of our regional Organization of American States, in which the United States has been proud to play a part. In the community of nations there has been no secret of the fact that the United States takes a special neighborly interest in its sister Republics of the Americas, and that the policy of the United States will always be to lend the fullest measure of help in promoting hemispheric welfare. You can be sure that today, with disruption of historic trade patterns in the Middle East and with the emergence of highly competitive economies elsewhere in the underdeveloped areas, the United States is not the less sensible of its historic friendships in this hemisphere and is not at all inclined to minimize the importance of Latin American development.

Speeding New Patterns of Growth

It is not enough, however, to pay tribute to what has been accomplished and to restate old loyalties. What is more important at this stage is to devise what means we can to speed the new patterns of growth. It is time to be specific and to consider concrete solutions.

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Enough surveys have been conducted and enough analyses have been made to show that development in Latin America should logically follow two distinct but parallel lines. On the one hand, there is a need for certain government-to-government financing, using public funds. The need here is for major public improvements—for such non-revenue-producing utilities as roads, harbors, bridges, tunnels, dams, schools, and new sources of mechanical power. The problem is to prime the economic pump—to create power and the means of mobility before human skills and productive energies can be effectively marshaled.

At the same time there is a need for new and vastly greater sources of credit through private channels if individual businessmen are going to be able to provide the merchandise that people want for their comfort and happiness. The private banking system is being challenged to modernize itself. Recently, one noted United States industrialist pointed out that the largest commercial bank in the United States today can make no loan of more than \$50 million. He urged the creation of a banking system capable of meeting credit requirements of considerably greater magnitude. He proposed the creation of at least a dozen of what might by present standards be called "super banks," each one with capital and surplus exceeding a billion dollars and each capable of lending as much as \$100 million to a single borrower.

So far there has been no specific response to this bold and imaginative proposal. It can hardly be doubted, however, that the financial community will eventually begin to think in terms of that magnitude. All of us can see the need for creating new production facilities; all agree that construction on the necessary scale cannot be paid for in cash. This means that big industry has got to invent new methods of buying time, of paying on the installment plan.

When the credit structure is ultimately modernized, we can be fairly sure of two things: first, that United States bankers will be in the vanguard of the movement because they want to help sell United States goods and services, and second, that

Latin America will be ready to cooperate because the people and governments of this hemisphere agree that private capital ought to finance private development.

By way of summary, then, let us say that some increase in governmental loans can be expected in the realm of public works, either through the Export-Import Bank, or the World Bank, or other facilities. This trend is logical because it is no longer generally feasible for private bond buyers to finance governments. But, parallel to the use of public funds for such improvements, we can expect to see new facilities for channeling private funds into the hands of private businessmen and industrialists.

A Task in Partnership

All this now becomes a task in partnership. We are fully aware that every country has its own traditions and the forms of government that particularly fit the genius of its people. We do not expect that the concept of democracy be the same in every country from the Arctic Circle to Cape Horn any more than we expect that every house on an American street be the same. But a common devotion to the principles of freedom and the dignity of man was shared by Las Casas and Thomas Jefferson, and it is that common bond that we in this generation want to bring to its logical maturity, economic as well as political.

In our common struggle for a good life—and as time goes on for a better life, we may all hope—the international Communist movement is engaged in an unceasing effort to undermine progress and thwart our orderly development. But by this time we know enough about the anatomy of communism, however, to be able to keep its hostility in perspective. We know that communism is not the only danger. We know that poverty and disease and the endless, grueling frustration of the human spirit can be just as dangerous to our peace and prosperity.

What holds us together in the quest for a new measure of well-being is that we know not only what we are against but also what we are in favor of. So long as we know where we are going—and we do!—then we can and will move toward the future with the same high courage and purpose as the pioneers who built our Western civilization.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of Meetings 1

Adjourned During April 1957

U.N. Trusteeship Council: Standing Committee on Petitions ICAO Aerodromes, Air Routes and Ground Aids Division: 6th	New York	Feb. 18-Apr. 30* Mar. 12-Apr. 15
Session. U.N. ECOSOC Commission on Status of Women: 11th Session	New York	Mar. 18-Apr. 5 Mar. 28-Apr. 6 Apr. 1-3 Apr. 1-10
U.N. ECE Ad Hoc Working Party on Standardization of Conditions of Sale for Cereals.	Geneva	Apr. 1–12
ILO Advisory Committee on Salaried Employees and Professional Workers: 4th Session,	Geneva	Apr. 1–13
UPU Executive and Liaison Committee	Lausanne	Apr. 1-13 Apr. 1-26 Apr. 2-3
FAO Special Committee on Observer Status	Rome Bad Godesberg Rome Rome Geneva Geneva New York Geneva	Apr. 2–3 Apr. 2–12 Apr. 4–5 Apr. 5–6 Apr. 5 (1 day) Apr. 8–12 Apr. 8–15 Apr. 8–18
U.N. ECAFE: 5th Regional Conference of Asian Statisticians ILO Tripartite Preparatory Technical Maritime Conference: Working Party on Wages, Hours of Work, and Manning on Board Ship.	Bangkok	Apr. 8-20 Apr. 11-19
United States World Trade Fair IAEA Preparatory Commission: 15th Meeting Inter-Parliamentary Union Council GATT Intersessional Committee	New York	Apr. 14–27 Apr. 16 (1 day) Apr. 23–28 Apr. 24–27*
In Session as of April 30, 1957		
U.N. Trusteeship Council: 19th Session	New York London New York México, D.F	Mar. 14- Mar. 18- Apr. 16- Apr. 20-
FAO International Poplar Commission: 9th Session International Poplar Congress	Paris	Apr. 22- Apr. 22- Apr. 24- Apr. 24-
9th ILO International Conference of Labor Statisticians IAEA Committee of the Whole: 2d Session	Geneva	Apr. 24- Apr. 25- Apr. 29- Apr. 29-

¹ Prepared in the Office of International Conferences, Apr. 16, 1957. Asterisks indicate tentative dates and places. Following is a list of abbreviations: U.N., United Nations; ICAO, International Civil Aviation Organization; ECOSOC, Economic and Social Council; ICEM, Intergovernmental Committee for European Migration; FAO, Food and Agriculture Organization; UNESCO, United Nations Educational, Scientific and Cultural Organization; ECE, Economic Commission for Europe; ILO, International Labor Organization; UPU, Universal Postal Union; UNICEF, United Nations Children's Fund; ECA FE, Economic Commission for Asia and the Far East; IAEA, International Atomic Energy Agency; GATT, General Agreement on Tariffs and Trade; ITU, International Telecommunication Union; NATO, North Atlantic Treaty Organization; WHO, World Health Organization; UNREF, United Nations Refugee Fund; PAIGH, Pan American Institute of Geography and History; PASO, Pan American Sanitary Organization; WMO, World Meteorological Organization; PIANC, Permanent International Association of Navigation Congresses; IBE, International Bureau of Education.

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Calendar of Meetings—Continued

In Session as of April 30, 1957—Continued

Inter-American Presidential Represent	tatives: 3d Meeting	Washington					Apr. 29-
ITU Administrative Council: 12th Ses	sion	Geneva					Apr. 29-
South Pacific Commission: Conference	on the Review of the Com-	Canberra	•	•		•	Apr. 30-

Scheduled May 1-July 31, 1957

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Scheduled May 1-July 31, 1957		
International Commission on Irrigation and Drainage: 3d Congress, 10th International Cannes Film Festival	San Francisco	May 1- May 2- May 4- May 6- May 6-
Session. U.N. ECE Conference of European Statisticians; Seminar on Industrial Statistics.	Athens	May 6-
ustrial statistics. U.N. ECOSOC Social Commission: 11th Session ILO Metal Trades Committee: 6th Session . FAO European Forestry Commission: 9th Session . WHO: 10th World Health Assembly International Hydrographic Bureau: 7th Congress Inter-American Travel Congresses: Permanent Executive Committee.	New York. Geneva. Rome. Geneva. Monaco. Washington.	May 6- May 6- May 7- May 7- May 7- May 10-
FAO Indo-Pacific Fisheries Council: 7th Session	Bandung	May 13- May 13-
U.N. Economic Commission for Latin America: 7th Session International Conference for Uses of Radar in Marine Navigation . International Cotton Advisory Committee: 16th Plenary Meeting . International Commission for Northwest Atlantic Fisheries: 7th Meeting.	La Paz, Bolivia	May 15- May 16- May 20- May 20-
U.N. Trusteeship Council: 20th Session Caribbean Commission: 24th Meeting Customs Cooperation Council: 10th Session FAO Study Group on Grains: 1st Meeting ILO Governing Body: 135th Session WHO Executive Board: 20th Session UNESCO Executive Board: 48th Session U.N. ECE Housing Committee: 14th Session and Working Parties	New York St. Thomas, V. I. Brussels Rome Geneva. Geneva. Paris Geneva.	May 20- May 22- May 27- May 27- May 27- May 27- May 27- May 27-
UNREF Standing Program Subcommittee: 5th Session. U.N. Trusteeship Council: Committee on Administrative Unions. Inter-American Commission of Women: 12th General Assembly. FAO Council: 26th Session. PAIGH Directing Council: 2d Meeting U.N. ECE Working Party on Transport of Perishable Foodstuffs. UNREF Executive Committee: 5th Session. U.N. ECE Committee on Development of Trade: Working Party	Geneva. New York. Washington Madrid. Rio de Janeiro. Geneva. Geneva. Geneva.	May 31- May* June 1- June 3- June 3- June 3- June 3- June 3-
on Arbitration. ICAO Panel on Vertical Separation of Aircraft: 2d Meeting U.N. ECAFE Working Party on Small-Scale Industries and Handicraft Marketing: 5th Meeting.	Montreal	June 3- June 3-
Diplomatic Conference Relating to International Registration of Trademarks.	Nice	June 4-
World Power Conference: International Executive Council. International Labor Conference: 40th Session. World Power Conference: Sectional Meeting. FAO Asia-Pacific Forestry Commission: 4th Session. GATT Balance of Payments Consultations and Intersessional Com-	Belgrade	June 4- June 5- June 5- June 8- June 10-
mittee Meeting. U.N. ECE Inland Transport Committee: Working Party on Trans-	Geneva	June 11-
port of Dangerous Goods. U.N. ECE Steel Committee and Working Parties. PASO Executive Committee: 31st Meeting. LIO "Art and Labor" Exhibition. ICAO Panel on Future Requirements for Turbo-jet Aircraft: 3d Meeting.	Geneva	June 11- June 12- June 15- June 17-
International Commission for Criminal Police: 26th Session of the General Assembly.	Lisbon	June 17-
U.N. ECE: 5th Conference of European Statisticians	Geneva	June 17- June 18- June 18-
2d Session. FAO Desert Locust Control: Technical Advisory Committee 7th Berlin International Film Festival	Morocco	June 19*- June 21-

May 6, 1957

Scheduled May 1-July 31, 1957-Continued

International Rubber Study Group: 13th Meeting	Djakarta	June 24- June 24- June 24- June 24-
International Whaling Commission: 9th Meeting International Wheat Council: 22d Session	London London Morocco* Geneva New York London Geneva London	June 24- June 24- June 25* June 28*- June July 2- July 2- July 8-
Annual Meeting. PIANC: 19th International Congress. UNESCO/IBE: 20th International Conference on Public Education. Consultative Committee for Economic Development in South and Southeast Asia (Colombo Plan): Working Group on Asian Regional Nuclear Center.	London	July 8- July 8- July 8*-
International Union of Crystallography: 4th General Assembly and International Congress,	Montreal	July 10-
16th International Congress of Pure and Applied Chemistry 19th Conference of International Union of Pure and Applied Chemistry.	Paris	July 16- July 16-
U.N. Committee on Information from Non-Self-Governing Territories: 8th Session.	New York	July 22-
Caribbean Commission: Conference on Demographic Problems of	Trinidad	July 25-
Caribbean Area. FAO Latin American Forestry Commission: 6th Session American International Institute for the Protection of Childhood:	Guatemala	July 30– July
Directing Council. U.N. ECAFE Working Party on Housing and Building Materials: 5th Meeting.	Bangkok	July
U.N. ECOSOC Technical Assistance Committee	Geneva	July

Current U.N. Documents: A Selected Bibliography

Security Council

Decisions Taken and Resolutions Adopted by the Security Council During the Year 1956. S/INF/11, April 4, 1957. 16 pp. mimeo.

Letter Dated 5 April from the Representative of Israel Addressed to the President of the Security Council. S/3810, April 8, 1957. 2 pp. mimeo.

General Assembly

Addenda to the Report of the United Nations High Commissioner for Refugees, Official Records: Eleventh Session. Supplement 11A (A/3123/Rev. 1/Add. 1 and Add. 2), New York, 1957. 23 pp. printed.
UNREF Executive Committee. UNREF Progress Report

UNREF Executive Committee. UNREF Progress Report at 30 September 1956. Submitted by the Office of the High Commissioner. A/AC. 79/48, December 11, 1956.

102 pp. mimeo.
UNREF Executive Committee. The Problem of Hungarian Refugees in Austria. An assessment of the needs and recommendations for future action. A/AC. 79/49, January 17, 1957. 40 pp. mimeo.

UNREF Executive Committee. Analysis of Implementation of the UNREF Plan of Operations for 1955 and of the Revised Plan of Operations (1956) (Revised Plan of Operations (1957) Part I) A/AC. 79/45/Add. 1, January 22, 1957. 5 pp. mimeo.

UNREF Executive Committee. Corrigendum No. 1 to the

UNREF Progress Report. A/AC. 79/48/Corr. 1, January 22, 1957. 1 p. mimeo.

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UNREF Executive Committee. Corrigendum No. 2 to the UNREF Progress Report. A/AC. 79/48/Corr. 2, January 23, 1957. 1 p. mimeo.

UNREF Executive Committee. Report on Action by the League of Red Cross Societies in Favour of Hungarian Refugees in Austria. (Submitted by the League of Red Cross Societies). A/AC. 79/52, January 25, 1957. 4 pp. mimeo.

4 pp. mimeo.

UNREF Executive Committee. The Problem of Hungarian Refugees in Yugoslavia. An assessment of the needs and recommendations for future action. Submitted by the High Commissioner. A/AC. 79/54, January 30, 1957. 23 pp. mimeo.

UNREF Executive Committee. The Situation of Refugees Who Have Recently Left Egypt. A/AC. 79/58, January 31, 1957. 1 p. mimeo.

UNREF Executive Committee. Report on the Fourth Session of the UNREF Executive Committee. A/AC. 79/60, February 11, 1957. 36 pp. mimeo.

79/60, February 11, 1957. 36 pp. mimeo.
UNREF Excutive Committee. Financial Rules for Voluntary Funds. A/AC. 70/10/Rev. 2, February 12, 1957. 8 pp. mimeo.

Disarmament Commission

Letter Dated 18 March 1957 Addressed to the Secretary-General by the Permanent Representative of Japan Transmitting the Text of a Resolution of the House of Councillors of Japan on the Prohibition of Atom and Hydrogen Bombs, Together with a Letter from the Prime Minister and Minister for Foreign Affairs of Japan. DC/109, March 25, 1957. 3 pp. mimeo.

Meeting the Challenge of Moving Hungarian Refugees

FIFTH SESSION OF COUNCIL AND EXECUTIVE COMMITTEE AND SIXTH (SPECIAL) SESSION OF EXECUTIVE COMMITTEE OF INTERGOVERNMENTAL COMMITTEE FOR EUROPEAN MIGRATION

by George L. Warren

The Intergovernmental Committee for European Migration (ICEM), organized on United States initiative in 1951 to facilitate emigration from Europe, met the unusual challenge of moving 88,657 Hungarian refugees out of Austria in 1956, while at the same time maintaining its normal program at the peak level of 129,597 migrants moved out of Europe.

The Migration Committee financed the movement of 40,597 Hungarian refugees, whereas the costs of the movement of the other 48,060 were borne directly by the governments which received the refugees. However, the Migration Committee was responsible for the organization and dispatching of all movements and assisted those governments which supplied transportation in scheduling planes and trains and in processing the refugees for embarkation. By the end of the year, 29,915 of the Hungarian refugees had been moved overseas. The European countries received the majority—58,742—some for a temporary period pending their eventual resettlement in overseas countries.

These facts emerged from the discussions and actions taken at the fifth session of the ICEM Council and Executive Committee (September 20 to

October 6, 1956), the meeting of the Working Party (January 8-14, 1957), and the sixth (special) session of the Executive Committee (January 14-18, 1957).

Fifth Session of Council

The Union of South Africa joined the Migration Committee at the fifth session, bringing the total membership to 27 governments. Spain had joined at the previous session. The questions of the provision of migration services and of the development of land-settlement projects in Latin America preoccupied the Council at the fifth session.

The discussion on the Director's progress report demonstrated the concern of Italy and the Latin American countries over the disappointingly low numbers of workers currently moving to the Latin American countries and the continuing interest of the European countries in securing the maximum possible movement of refugees, under the United Nations High Commissioner's mandate, out of

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[•] Mr. Warren, author of the above article, is Adviser on Refugees and Displaced Persons, Department of State. He served as alternate U.S. delegate to the fifth session of the ICEM Council and accompanied the U.S. representative to the sixth (special) session of the Executive Committee.

¹ The Department of State announced on Sept. 13, 1956 (press release 483), that Scott McLeod, Administrator of the Bureau of Security and Consular Affairs, would head an 11-man delegation to the fifth session of the ICEM. Representative Francis E. Walter, Representative Kenneth B. Keating, and Mr. Warren were named alternate delegates, and the following public members were designated advisers: Maurice G. Bellows, Walter M. Besterman, Walter Bieringer, Oliver Emmerich, George Fuller, John Mulford, and Frank Waldrop. For an announcement of the delegation to the sixth (special) session of the Executive Committee, see Bullettin of Jan. 21, 1957, p. 109. For an article by Mr. Warren on the third and fourth sessions of the Council and Executive Committee, see ibid., June 4, 1956, p. 944.

Europe. The U.S. representative, Scott McLeod, pointed out that the full exploitation of the operations of the processing centers in Austria, made possible by the U.S. special contribution of \$250,000 in July 1956, would provide an experimental demonstration of those migration services which should appropriately be provided by the governments of emigration, those which should be provided by the governments of immigration, and finally those which will need inevitably to be supplied by ICEM.

The discussion on the Director's report on migration services disclosed virtually unanimous support of services closely related to immediate movement but only qualified support of other technical services more related to the promotion of migration in the future and improvement in the qualifications of migrants. Italy, Spain, Greece, and the Latin American countries insisted on the necessity for expanding the latter type of services in order that the migrants moved to Latin America might be better qualified to fit into the requirements of that area. Australia and Canada argued that such services should be supplied directly by the governments concerned. There was, however, a measure of agreement that ICEM's efforts to assist Latin American countries to develop their specific immigration requirements in terms of numbers, trade skills, and areas of placement could be useful and that further efforts should be made to place migrants after arrival in jobs suited to their capacities.

Financing Land-Settlement Projects

The Director's report on land settlement stated. in effect, that ICEM's technical assistance in this area would only be productive insofar as interested governments were themselves prepared to determine basic policies and to prepare specific projects of land settlement which might require partial financing from external sources. Representative Francis E. Walter of the U.S. delegation stated that Congress had supplied certain funds under the Smathers amendment to the Mutual Security Act which might be applied in the financing of land-settlement projects but that the initiative in presenting sound bankable projects rested solely with the Latin American countries. The representatives of Italy, Germany, the Netherlands, and the Latin American countries expressed their appreciation of the new potential source of financing for land-settlement projects and their determination to work out bilateral arrangements between emigration and immigration countries which would facilitate the development of sound projects.

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Working Party on Financing

A lively discussion was precipitated by the observations of the Australian and U.S. representatives that the recommendations of the Working Party of 1955 had never been fully implemented in that per capita contributions still failed to meet the total costs of transport and related services, some governments receiving migrants had failed to make the minimum contribution of \$40 per migrant moved to or from their country, and the contributions to the free funds of the Committee were still inadequate to cover the expenditures for migration services and the movement of refugees. The U.S. representative suggested the necessity of resolving these problems of financing before the fall session of the Council in 1957 in order that governments might make firm pledges at that time for 1958 on a more satisfactory plan of financing. The Council finally resolved to set up a Working Party composed of the representatives of Australia, Brazil, Italy, the Netherlands, and the United States with broad terms of reference to report recommendations to the Executive Committee.

The Working Party met in Geneva in January. Before attacking its main task of reviewing the operations of the Committee and of finding improved methods of financing, the Working Party considered the effect which the heavy movement of Hungarian refugees in November-December 1956 had had on the organizational structure and normal operations of the Committee. Assisted by representatives of practically all of the other member governments, who attended as observers because of the high interest in Hungarian refugees, the Working Party concluded that the Migration Committee had not only been able to expand its services to meet satisfactorily the emergency presented by the Hungarian refugees but had actually gained new interest and support from governments in the process.

The Working Party otherwise reported that the main immediate objective of the Migration Committee should be to secure higher per capita contributions from member governments, based on movements to or from their respective countries, in

order that the total of such contributions would meet the total of costs of transportation and of the essential migration services closely related to the actual dispatch and reception of migrants. A further recommendation was that a special section of the budget should be established to include all expenditures for promotional migration services, grants to voluntary agencies for cooperative services, and costs for the movement of refugees. The assumption was that governments particularly interested in these programs would contribute more adequately to their support if these particular items of expenditure were clearly isolated from the larger expenditures for the movement of indigenous migrants.

Because the Migration Committee faced the necessity of moving larger numbers of Hungarian refugees overseas in 1957, not only from Austria but from the Western European countries, a special meeting of the Executive Committee was convened in January 1957. The Executive Committee found that 129,597 migrants had been moved out of Europe during 1956 under the normal program, the highest movement achieved in any single year. In 1956, \$3,334,493 had been spent on moving an additional 40,597 Hungarian refugees out of Austria, of whom 11,947 had gone overseas.² The estimated income of the Migration Committee for 1956 totaled \$2,769,607 for administration and \$43,103,907 for operations.

Program for 1957

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After reviewing the estimates presented by the administration, the Executive Committee adopted a program for 1957 calling for the movement overseas out of Europe of 108,030 under normal operations and of an additional 35,450 Hungarian refugees—24,000 from Austria and 11,450 from the Western European countries. During the year, 30,000 Hungarian refugees were also to be assisted to move from Austria to other European countries in replacement of those moved overseas from these countries and in a further effort to reduce the refugee population in Austria. Financial requirements to meet this program were estimated at \$2,734,003 for administration and \$49,368,822 for operations.

In adopting this budget the Executive Committee found it necessary to send an immediate telegraphic appeal to member governments for \$7,586,589 in additional contributions, particularly to insure the continuing movement of Hungarian refugees. The governments were reminded in the telegram that a one-time contribution to transport costs would substantially reduce the continuing costs of \$2,000,000 monthly in maintaining 70,000 Hungarian refugees remaining in Austria at the time.

Apart from the Hungarian movement, the estimates of expenditures of the Committee were increased for 1957 to meet additional costs to be incurred because of the necessity for shipping migrants and refugees to Australasia by the Cape route rather than through the Suez Canal. These problems of the budget for 1957 precluded any consideration by the Executive Committee of the report of the Working Party at the special session.

TREATY INFORMATION

Current Actions

MULTILATERAL

Atomic Energy

Statute of the International Atomic Energy Agency.

Done at New York October 26, 1956.

Ratification deposited: Rumania, April 12, 1957.

Automotive Traffic

Convention on road traffic with annexes. Done at Geneva September 19, 1949. Entered into force March 26, 1952. TIAS 2487. Ratification deposited: Norway, April 11, 1957.

Postal Services

Universal postal convention, with final protocol, annex, regulations of execution, and provisions regarding airmail and final protocol thereto. Signed at Brussels July 11, 1952. Entered into force July 1, 1953. TIAS 2800.

Ratification deposited: Dominican Republic, March 16, 1957.

Slave Trade

Protocol amending the slavery convention signed at Geneva September 25, 1926 (46 Stat. 2183), and annex. Done at New York December 7, 1953. Protocol entered into force December 7, 1953. Annex entered into force July 7, 1955. TIAS 3532. Ratification deposited: Norway, April 11, 1957.

²For background on the Hungarian refugee problem contained in a report made to President Eisenhower by Vice President Nixon on Jan. 1, 1957, see *ibid.*, Jan. 21, 1957, p. 94.

¹ Not in force.

Whaling

Protocol amending the international whaling convention of 1946 (TIAS 1849). Done in Washington November 19, 1956.¹

Ratification deposited: Norway, April 15, 1957.

BILATERAL

Burma

Economic cooperation agreement. Signed at Rangoon March 21, 1957. Enters into force upon notification by Burma that necessary legal requirements have been fulfilled.

Canada

Agreement relating to navigation improvements in waters of the St. Marys River and the St. Clair River sections of the Great Lakes connecting channels. Effected by exchange of notes at Ottawa November 30, 1956, and April 8 and 9, 1957. Entered into force April 9, 1957.

Chile

Agreement amending the agricultural commodities agreement of March 13, 1956 (TIAS 3583). Effected by exchange of notes at Washington April 15, 1957. Entered into force April 15, 1957.

Israel

Agreement amending the agricultural commodities agreement of November 10, 1955, as amended (TIAS 3429, 3489, and 3497). Effected by exchange of notes at Washington April 9 and 10, 1957. Entered into force April 10, 1957. TIAS 3798.

Japan

Agreement relating to the reciprocal waiver of nonimmi-

grant passport visa fees. Effected by exchange of notes at Tokyo March 5 and 22, 1957. Entered into force April 21, 1957.

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Libya

Development assistance agreement with Libya. Effected by exchange of notes at Tripoli April 4 and 6, 1957. Entered into force April 6, 1957.

Morocco

Agreement providing for economic, technical, and related assistance to Morocco. Effected by exchange of notes at Rabat April 2, 1957. Entered into force April 2, 1957.

Paraguay

Agreement providing for duty-free entry into Paraguay and exemption from internal taxation of relief supplies and packages. Effected by exchange of notes at Asunción April 4, 1957. Entered into force April 4, 1957.

Agreement for financing educational exchange programs. Signed at Asunción April 4, 1957. Enters into force on date of notification by Paraguay of ratification of agreement in accordance with its constitutional process.

Peru

Agreement relating to the waiver of nonimmigrant passport visas and visa fees. Effected by exchange of notes at Lima April 6 and September 26, 1956, and related note of October 9, 1956. Entered into force September 26, 1956.

Agreement supplementing the agreement of April 6 and September 26, 1956, relating to passport visas and visa fees. Effected by exchange of notes at Lima January 4 and 7, 1957. Entered into force January 7, 1957.

United States-Netherlands Air Transport Agreement

Press release 189 dated April 3

DEPARTMENT ANNOUNCEMENT

Delegations of the United States and the Kingdom of the Netherlands, which have been meeting in Washington since March 19, concluded an air transport agreement on April 3, 1957.² Under Secretary of State Christian Herter signed on behalf of the U.S. Government, and E. H. van der Beugel, Under Secretary of State for Foreign Affairs, signed for the Government of the Kingdom of the Netherlands. The agreement describes the routes to be served by the flag carriers of both countries and contains the principles re-

lating to the operation of air transport services which are embodied in the standard Bermudatype agreement.

Under the new agreement, the Netherlands carriers are authorized to serve New York and Houston and to operate services from the Netherlands Antilles to Miami via intermediate points and direct to New York. The U.S. carriers are given broad operating rights to and beyond the Netherlands, Surinam, and the Netherlands Antilles.

The agreement is provisionally operative from the date of its signature and will enter into force definitively on the date of receipt by the U.S. Government of appropriate notification that the approval constitutionally required in the Kingdom of the Netherlands has been obtained. Letters have been exchanged on the subject of the right to operate air services to Los Angeles.

¹ Not in force.

³ For an announcement of the resumption of negotiations on Mar. 19, together with an exchange of letters between President Eisenhower and Netherlands Prime Minister Willem Drees, see BULLETIN of Apr. 8, 1957, p. 579.

EXCHANGE OF LETTERS

APRIL 3, 1957

DEAR MR. SECRETARY: On behalf of the Government of the Kingdom of the Netherlands I express my disappointment that, in concluding the air transport agreement, it has not been possible at the present moment to include the right to operate air services from the Netherlands to Los Angeles and vice versa by an airline designated by the aforesaid Government.

I want to convey to you the intention of the Government of the Kingdom of the Netherlands to open as soon as possible consultations on the basis of the provisions contained in article XII of the Agreement in order to include the above mentioned route in the schedule of the Agreement.

Please accept, Mr. Secretary, the assurances of my highest consideration.

Sincerely yours,

E. H. VAN DER BEUGEL Under Secretary of State for Foreign Affairs

THE SECRETARY OF STATE, Washington, D. C.

APRIL 3, 1957

DEAR MR. VAN DER BEUGEL: The Department has noted the disappointment expressed in your letter of April 3, 1957, at the present inability of the United States to grant traffic rights at Los Angeles to the Dutch airline and has noted your intention of requesting at a future date that the United States grant such rights.

As you are aware, the consultation provisions contained in Article 12 of the Agreement are, amongst other things, designed to provide a mechanism by means of which route pattern adjustments may be reviewed on the request of either party to ensure that the agreement, as far as possible, will be mutually satisfactory.

Sincerely yours,

Christian A. Herter Under Secretary of State

His Excellency

E. H. VAN DER BEUGEL,

Under Secretary of State for Foreign Affairs of the Netherlands. TEXT OF AGREEMENT

AIR TRANSPORT AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS

The Government of the United States of America and the Government of the Kingdom of The Netherlands,

Desiring to conclude an Agreement for the purpose of promoting air communications between their respective territories.

Have accordingly appointed authorized representatives for this purpose, who have agreed as follows:

ARTICLE 1

For the purposes of the present Agreement:

- (A) The term "aeronautical authorities" shall mean in the case of the United States of America, the Civil Aeronautics Board and any person or agency authorized to perform the functions exercised at the present time by the Civil Aeronautics Board and, in the case of the Kingdom of The Netherlands, any person or agency designated as such by the Government of the Kingdom of The Netherlands.
- (B) The term "designated airline" shall mean an airline that one contracting party has notified the other contracting party, in writing, to be the airline which will operate a specific route or routes listed in the Schedule of this Agreement.
- (C) The term "territory" in relation to a State shall mean the land areas and territorial waters adjacent thereto under the sovereignty, suzerainty, protection, mandate or trusteeship of that State.
- (D) The term "air service" shall mean any scheduled air service performed by aircraft for the public transport of passengers, mail or cargo.
- (E) The term "international air service" shall mean an air service which passes through the air space over the territory of more than one State.
- (F) The term "stop for non-traffic purposes" shall mean a landing for any purpose other than taking on or discharging passengers, cargo or mail.

ARTICLE 2

Each contracting party grants to the other contracting party rights necessary for the conduct of air services by the designated airlines, as follows: the rights of transit, of stops for non-traffic purposes, and of commercial entry and departure for international traffic in passengers, cargo, and mail at the points in its territory named on each of the routes specified in the appropriate paragraph of the Schedule annexed to the present Agreement.

ARTICLE 3

Air service on a specified route may be inaugurated by an airline or airlines of one contracting party at any time after that contracting party has designated such airline or airlines for that route and the other contracting party has given the appropriate operating permission.

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Such other party shall, subject to Article 4, be bound to give this permission without undue delay, provided that the designated airline or airlines may be required to qualify before the competent aeronautical authorities of that party, under the laws and regulations normally applied by these authorities, before being permitted to engage in the operations contemplated by this Agreement.

ARTICLE 4

Each contracting party reserves the right to withhold or revoke the privilege of exercising the rights provided for in Article 3 of this Agreement from an airline designated by the other contracting party in the event that it is not satisfied that substantial ownership and effective control of such airline are vested in nationals of the other contracting party, or in case of failure by such airline to comply with the laws and regulations referred to in Article 5 hereof, or in case of the failure of the airline or the government designating it otherwise to perform its obligations hereunder, or to fulfill the conditions under which the rights are granted in accordance with this Agreement.

ARTICLE 5

(A) The laws and regulations of one contracting party relating to the admission to or departure from its territory of aircraft engaged in international air navigation, or to the operation and navigation of such aircraft while within its territory, shall be applied to the aircraft of the airline or airlines designated by the other contracting party, and shall be complied with by such aircraft upon entering or departing from and while within the territory of the first contracting party.

(B) The laws and regulations of one contracting party relating to the admission to or departure from its territory of passengers, crew, or cargo of aircraft, such as regulations relating to entry, clearance, immigration, passports, customs, and quarantine shall be complied with by or on behalf of such passengers, crew or cargo of the other contracting party upon entrance into or departure from, and while within the territory of the first contracting party.

ARTICLE 6

Certificates of airworthiness, certificates of competency and licenses issued or rendered valid by one contracting party, and still in force, shall be recognized as valid by the other contracting party for the purpose of operating the routes and services provided for in this Agreement, provided that the requirements under which such certificates or licenses were issued or rendered valid are equal to or above the minimum standards which may be established pursuant to the Convention on International Civil Aviation. Each contracting party reserves the right, however, to refuse to recognize, for the purpose of flight above its own territory, certificates of competency and licenses granted to its own nationals by another State.

ARTICLE 7

In order to prevent discriminatory practices and to assure equality of treatment, both contracting parties agree that:

(a) Each of the contracting parties may impose or permit to be imposed just and reasonable charges for the use of public airports and other facilities under its control. Each of the contracting parties agrees, however, that these charges shall not be higher than would be paid for the use of such airports and facilities by its national aircraft engaged in similar international services.

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(b) Fuel, lubricating oils, other consumable technical supplies, spare parts, regular equipment, and stores introduced into the territory of one contracting party by or on behalf of the airline or airlines of the other contracting party or its nationals and intended solely for use by aircraft of such contracting party in international services shall be exempt on a basis of reciprocity from customs duties, excise taxes, inspection fees and other similar national duties, taxes or charges, even though such supplies be used or consumed by such aircraft on flights in that territory. Articles so introduced into the territory of a contracting party shall be kept under customs supervision until required for the use provided for in this paragraph or for re-exportation.

(c) Fuel, lubricating oils, other consumable technical supplies, spare parts, regular equipment, and stores retained on board aircraft of the airlines of one contracting party authorized to operate the routes and services provided for in this Agreement shall, upon arriving in or leaving the territory of the other contracting party, be exempt on a basis of reciprocity from customs duties, inspection fees and other similar national duties or charges, even though such supplies be used or consumed by such aircraft on flights in international services in that territory.

(d) Fuel, lubricating oils, other consumable technical supplies, spare parts, regular equipment, and stores taken on board aircraft of the airlines of one contracting party in the territory of the other and used in international services shall be exempt on a basis of reciprocity from customs duties, excise taxes, inspection fees and other similar national duties, taxes or charges, even though such supplies be used or consumed by such aircraft on flights in that territory.

ARTICLE 8

There shall be a fair and equal opportunity for the airlines of each contracting party to operate on any route covered by this Agreement.

ARTICLE 9

In the operation by the airlines of either contracting party of the air services described in this Agreement, the interest of the airlines of the other contracting party shall be taken into consideration so as not to affect unduly the services which the latter provides on all or part of the same routes.

ARTICLE 10

The air services made available to the public by the airlines operating under this Agreement shall bear a close relationship to the requirements of the public for such services.

It is the understanding of both contracting parties that services provided by a designated airline under the present Agreement shall retain as their primary objective the provision of capacity adequate to the traffic demands between the country of which such airline is a national and the countries of ultimate destination of the traffic. The right to embark or disembark on such services international traffic destined for and coming from third countries at a point or points on the routes specified in this Agreement shall be applied in accordance with the general principles of orderly development to which both contracting parties subscribe and shall be subject to the general principle that capacity should be related:

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(b) to the requirements of through airline operation; and,

(c) to the traffic requirements of the area through which the airline passes after taking account of local and regional services.

ARTICLE 11

Rates to be charged on the routes provided for in this Agreement shall be reasonable, due regard being paid to all relevant factors, such as cost of operation, reasonable profit, and the rates charged by any other carriers, as well as the characteristics of each service, and shall be determined in accordance with the following paragraphs:

(A) The rates to be charged by the airlines of either contracting party between points in the territory of the United States and points in the territory of the Kingdom of The Netherlands referred to in the annexed Schedule shall, consistent with the provisions of the present Agreement, be subject to the approval of the aeronautical authorities of the contracting parties, who shall act in accordance with their obligations under this Agreement, within the limits of their legal powers.

(B) Any rate proposed by an airline of either contracting party shall be filed with the aeronautical authorities of both contracting parties at least thirty (30) days before the proposed date of introduction; provided that this period of thirty (30) days may be reduced in particular cases if so agreed by the aeronautical authorities of each contracting party.

(C) During any period for which the Civil Aeronautics Board of the United States has approved the traffic conference procedures of the International Air Transport Association (hereinafter called IATA), any rate agreements concluded through these procedures and involving United States airlines will be subject to approval of the Board. Rate agreements concluded through this machinery may also be required to be subject to the approval of the aeronautical authorities of the Kingdom of The Netherlands pursuant to the principles enunciated in paragraph (A) above.

(D) The contracting parties agree that the procedure described in paragraphs (E), (F) and (G) of this Article shall apply:

1. If, during the period of the approval by both contracting parties of the IATA traffic conference procedure, either, any specific rate agreement is not approved within a reasonable time by either contracting party, or, a conference of IATA is unable to agree on a rate, or

2. At any time no IATA procedure is applicable, or

3. If either contracting party at any time withdraws or fails to renew its approval of that part of the IATA traffic conference procedure relevant to this Article.

(E) In the event that power is conferred by law upon the aeronautical authorities of the United States to fix fair and economic rates for the transport of persons and property by air on international services and to suspend proposed rates in a manner comparable to that in which the Civil Aeronautics Board at present is empowered to act with respect to such rates for the transport of persons and property by air within the United States, each of the contracting parties shall thereafter exercise its authority in such manner as to prevent any rate or rates proposed by one of its airlines for services from the territory of one contracting party to a point or points in the territory of the other contracting party from becoming effective, if in the judgment of the aeronautical authorities of the contracting party whose airline or airlines is or are proposing such rate, that rate is unfair or uneconomic. If one of the contracting parties on receipt of the notification referred to in paragraph (B) above is dissatisfied with the rate proposed by the airline or airlines of the other contracting party, it shall so notify the other contracting party prior to the expiry of the first fifteen (15) of the thirty (30) days referred to, and the contracting parties shall endeavor to reach agreement on the appro-

In the event that such agreement is reached, each contracting party will exercise its best efforts to put such rate into effect as regards its airline or airlines.

If agreement has not been reached at the end of the thirty (30) day period referred to in paragraph (B) above, the proposed rate may, unless the aeronautical authorities of the country of the air carrier concerned see fit to suspend its application, go into effect provisionally pending the settlement of any dispute in accordance with the procedure outlined in paragraph (G) below.

(F) Prior to the time when such power may be conferred upon the aeronautical authorities of the United States, if one of the contracting parties is dissatisfied with any rate proposed by the airline or airlines of either contracting party for services from the territory of one contracting party to a point or points in the territory of the other contracting party, it shall so notify the other prior to the expiry of the first fifteen (15) of the thirty (30) day period referred to in paragraph (B) above, and the contracting parties shall endeavor to reach agreement on the appropriate rate.

In the event that such agreement is reached, each contracting party will use its best efforts to cause such agreed rate to be put into effect by its airline or airlines.

It is recognized that if no such agreement can be reached prior to the expiry of such thirty (30) days, the contracting party raising the objection to the rate may take such steps as it may consider necessary to prevent the inauguration or continuation of the service in question at the rate complained of.

(G) When in any case under paragraphs (E) or (F) of this Article the aeronautical authorities of the two contracting parties cannot agree within a reasonable time upon the appropriate rate after consultation initiated by the complaint of one contracting party concerning the

May 6, 1957

proposed rate or an existing rate of the airline or airlines of the other contracting party, upon the request of either, the terms of Article 13 of this Agreement shall apply.

ABTICLE 12

Consultation between the competent authorities of both contracting parties may be requested at any time by either contracting party for the purpose of discussing the interpretation, application, or amendment of the Agreement or Schedule. Such consultation shall begin within a period of sixty (60) days from the date of the receipt of the request by the Department of State of the United States of America or the Ministry of Foreign Affairs of the Kingdom of The Netherlands as the case may be. Should agreement be reached on amendment of the Agreement or its route schedule, such amendment will come into effect upon confirmation by an exchange of diplomatic notes.

ARTICLE 13

Except as otherwise provided in this Agreement, any dispute between the contracting parties relative to the interpretation or application of this Agreement which cannot be settled through consultation shall be submitted for an advisory report to a tribunal of three arbitrators, one to be named by each contracting party, and the third to be agreed upon by the two arbitrators so chosen, provided that such third arbitrator shall not be a national of either contracting party. Each of the contracting parties shall designate an arbitrator within two months of the date of delivery by either party to the other party of a diplomatic note requesting arbitration of a dispute; and the third arbitrator shall be agreed upon within one month after such period of two months.

If either of the contracting parties fails to designate its own arbitrator within two months, or if the third arbitrator is not agreed upon within the time limit indicated, either party may request the President of the International Court of Justice to make the necessary appointment or appointments by choosing the arbitrator or arbitrators.

The contracting parties will use their best efforts under the powers available to them to put into effect the opinion expressed in any such advisory report. A moiety of the expenses of the arbitral tribunal shall be borne by each party.

ARTICLE 14

This Agreement, all amendments thereto, and contracts connected therewith shall be registered with the International Civil Aviation Organization.

ARTICLE 15

If a general multilateral air transport Convention accepted by both contracting parties enters into force, the present Agreement shall be amended so as to conform with the provisions of such Convention.

ARTICLE 16

Either of the contracting parties may at any time notify the other of its intention to terminate the present Agreement. Such a notice shall be sent simultaneously to the International Civil Aviation Organization. In the event such communication is made, this Agreement shall terminate one year after the date of its receipt, unless by agreement between the contracting parties the notice of intention to terminate is withdrawn before the expiration of that time. If the other contracting party fails to acknowledge receipt, notice shall be deemed as having been received fourteen days after its receipt by the Intenational Civil Aviation Organization.

ARTICLE 17

The present agreement shall be provisionally operative from the date of its signature. After the approval constitutionally required in the Kingdom of The Netherlands has been obtained, the Agreement shall enter into force definitively on the date of receipt by the Government of the United States of America of an appropriate notification from the Government of the Kingdom of The Netherlands.

In witness whereof, the undersigned, being duly authorized by their respective Governments, have signed the present Agreement.

Done in duplicate at Washington this 3rd day of April,

For the Government of the United States of America: CHRISTIAN A. HERTER Ame

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For the Government of the Kingdom of The Netherlands: E. H. VAN DER BEUGEL

SCHEDULE

- 1. An airline or airlines designated by the Government of the United States shall be entitled to operate air services on each of the air routes specified via intermediate points, in both directions, to make scheduled landings in the Kingdom of The Netherlands at the points specified in this paragraph:
 - a. From the United States via intermediate points to Amsterdam and beyond.
 - b. From the United States and/or an airport serving the Canal Zone via intermediate points to Aruba, Curacao, St. Maartens, and Paramaribo and beyond.
- 2. An airline or airlines designated by the Government of the Kingdom of The Netherlands shall be entitled to operate air services on each of the air routes specified via intermediate points, in both directions, and to make scheduled landings in the United States at the points specified in this paragraph:
 - a. The Netherlands via intermediate points in the UK, Ireland, Newfoundland and the Azores to New York.
 - b. The Netherlands via intermediate points in the UK, Ireland, Iceland, Greenland, Newfoundland, Azores and Montreal to Houston.
 - c. The Netherlands Antilles via the intermediate points Ciudad Trujillo, Port au Prince, Kingston, Montego Bay, Camaguey, Havana, to Miami.
 - d. The Netherlands Antilles to New York.
- Points on any of the specified routes may at the option of the designated airlines be omitted on any or all flights.

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216	4/17	Switzerland credentials (rewrite).
217	4/17	Surplus commodity agreement with Colombia.
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*219	4/18	Educational exchange.
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223	4/19	Visit of Chancellor Adenauer (re- write).
*224	4/19	Interim reply to Canadian note.
*225	4/19	Cabot nomination (biographic details).
226	4/19	Interim report on Richards mission.
*227	4/19	Hill nomination (biographic details).
*228	4/19	White nomination (biographic details).
229	4/21	Dulles: "Dynamic Peace."

*Not printed.

No. Date



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